S. HRG. 103–806

CHILD LABOR AND THE NEW GLOBAL MARKETPLACE: REAPING PROFITS AT THE EXPENSE OF CHILDREN?

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Child Labor and the New Global Mark...

HEARING

BEFORE THE

SUBCOMMITTEE ON LABOR

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

ON

TO EXAMINE STRATEGIES TO REDUCE THE GROWING INTERNATIONAL PROBLEM OF CHILD LABOR ABUSES, FOCUSING ON PROPOSED LEGISLATION TO STRENGTHEN PROTECTIONS FOR MIGRANT FARMWORKERS AND OTHER CHILD LABORERS, AND PROPOSED LEGISLATION TO BAN THE IMPORTATION OF GOODS MADE BY CHILDREN

SEPTEMBER 21, 1994

Printed for the use of the Committee on Labor and Human Resources

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CHILD LABOR AND THE NEW GLOBAL MARKETPLACE: REAPING PROFITS AT THE EXPENSE OF CHILDREN?

WEDNESDAY, SEPTEMBER 21, 1994

U.S. SENATE,
SUBCOMMITTEE ON LABOR,
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:35 a.m., in room SD–430, Dirksen Senate Office Building, Senator Metzenbaum (chairman of the subcommittee) presiding.

Present: Senators Metzenbaum, Harkin, and Wellstone.

OPENING STATEMENT OF SENATOR METZENBAUM

Senator METZENBAUM. This morning, the Subcommittee on Labor convenes to explore the growing international problem of child labor abuses.

I do not know of any hearing that I have conducted in the 19 years that I have been here that I feel more strongly about than this one, because to me, children are the most unprotected segment of our society, whether in this country or throughout the world. And when I see children being exploited, working under the most inappropriate circumstances, understandably, I have to identify those children with my own children and my own grandchildren.

It pains me grievously that conditions exist in the world today that necessitate our having a hearing to address this issue. I have been looking into this problem for the past few months, and frankly, I am just stunned at what we found. I have seen many, many instances of deplorable working conditions in my 19 years as a United States Senator, but nothing—I repeat, nothing—compares with the horrendous, brutal, and inhuman treatment of millions of child laborers around the world.

These are not just child laborers; these are just ordinary kids who are being exploited, forced to work, sometimes in bondage, all the time, for indecent wages.

Let me clarify two important points right at the outset. First, children working is not, in the abstract, a terrible thing. In fact, in appropriate circumstances, young adults often benefit from holding a part-time job after school or on weekends. But there is a difference between aiding a child's development and sheer exploitation.

This morning, we will hear about slavery and forced labor; we will hear about torture, sexual and physical abuse, starvation, and

death. Today, hundreds of millions of children around the world are subjected to abusive labor practices in sweatshops, in mines, in factories, and in the fields. They are paid pennies an hour, if they are paid anything at all.

Millions of these children, perhaps even a majority, will never reach adulthood, but will die of disease, exhaustion, physical abuse or starvation. Those who are lucky enough to survive the horrors of forced child labor will never lead a normal adult life.

By working instead of going to school, child laborers are doomed to perpetuate the cycle of poverty. There is no shortage of chilling examples of workplace atrocities reported in the press or by international workers' rights organizations. Here are just a few.

India has the most child laborers in the world. In the carpet industry, children work on looms in damp, dark pits for less than $1 a day. Many are lured by promises of learning a trade, only to find themselves enslaved, hundreds of miles from home. Some are sold by their parents for as little as $50. Still others are bonded laborers who work to pay off a family debt.

The backbreaking work causes spine deformities, skin and respiratory diseases. Children who make mistakes in their work are beaten and tortured. When children cut their fingers during weaving, some employers actually scrape sulphur into the child's wounds and set the wounds on fire to prevent the child from bleeding on the carpet fibers. Some employers have even branded their child workers to indicate ownership.

Buy an Oriental rug, and you have a good chance of walking on the labors of a child of India.

In Peru, children ages 12 to 16 are taken by truck deep into the jungle for 3 months at a time to pan for gold. They work 12-hour-a-day shifts for about $3 a day—payable at the end of 3 months. Many die of malaria or other diseases during their stay. If they survive, their employers may fire them to avoid having to pay their wages. Some employers have actually killed child workers and dumped their bodies in the river to avoid paying them.

In the African Nation of Ivory Coast, children work long hours in the mines, digging and transporting rocks. The average age is 7 years old, but some mine workers are as young as 3. That is unbelievable, but true.

In Bangladesh, children as young as 8 make up more than one quarter of the garment industry work force. They work 12-hour shifts in locked plants, where they may be burned with hot irons, scalded with boiling water, or hung up by their hands if they work too slowly.

In Brazil, children as young as 4 work up to 10 hours a day harvesting cotton.

If these facts were not provable, were not so totally true, one would say that you are making up the stories. Some of our witnesses today will confirm some of the things I am talking about in this opening statement. Everything that we are talking about is easily provable.

Others work in the charcoal industry as bonded laborers, working off a perpetual debt to employers who pay little, but charge high prices for housing and food. If the children try to escape, they are often murdered.

In Thailand, an estimated 150,000 children ages 13 and younger work as prostitutes. In the leather industry, child workers are fed amphetamines so they can work long hours, sometimes even 2 or 3 days straight without sleep.

In China, 12-year-olds have been found working 15-hour shifts in textile plants for $10 per month. So much for the great industrialization and development of our wonderful new friend, China. Nine-year-olds have been found in fireworks factories, making exports for U.S. consumers.

These are appalling, tragic stories. But let me make clear that as a United States Senator, I have not called this hearing from a higher moral ground to take potshots at Third World countries. This is a global problem. It involves many developing countries, but it also involves many developed nations. Among them is our own United States. I am sad to say that we as a nation are just as guilty of turning our backs on the world's children.

First, thousands of children, many of them immigrants, work long hours in sweatshops in major American cities like New York and Los Angeles, to put apparel in our department stores. Thousands of migrant farmworker children lead transient lives, performing backbreaking labor in American fields to put food on the shelves of our grocery stores.

Second, every year, American consumers unknowingly purchase billions of dollars worth of goods manufactured by children. In far too many cases, the almighty U.S. dollar is the currency of forced child labor.

This problem may be largely one of insufficient information. According to the National Consumers League, 74 percent of its members would not buy a product if they knew it was manufactured by children.

Third, it is appalling that 160 nations have signed the U.N. Convention on the Rights of the Child, but the United States has not. It is unacceptable that 46 nations have signed the ILO convention which establishes a minimum employment age, but the United States has not. Clearly, the United States Government must make a stronger commitment to the rights of children. I urge the President of the United States to bring about that signing before the end of 1994. Enough time has already elapsed. It is our responsibility, and we should not delay another day.

Perhaps the most troubling aspect of this phenomenon of all is that rather than making aggressive efforts to end child labor abuses around the world, U.S. policymakers have been at best indifferent to the problem, and many U.S. manufacturers either encourage or participate in the exploitation of children. NAFTA and now GATT may only make matters worse.

We cannot afford to ignore this problem any longer. Walk up and down the aisles of the new global marketplace, and you will see the fruits of child labor everywhere around you. You will see carpets and clothes and jewelry and shoes and toys and more. That is the striking irony. As technological progress has made the world's productive capacity increasingly mobile, more and more U.S. and foreign employers now rely on child laborers, working in brutal conditions, in impoverished countries, to meet consumer demands in developed countries.

In short, the more advanced our productive technology gets, the more easily it can be run by children. Global trade may bring great riches to multinational corporations, and even to some developed nations, but for hundreds of millions of children around the world, it brings oppressive working conditions, rampant illiteracy, unbroken cycles of poverty, and an ever-widening gap between rich and poor.

The United States cannot force foreign governments to eradicate child labor. But here is what we can do as Senators, as Americans, and as human beings.

First, we can speak out loudly and often to express our indignation at the exploitation of children for profit. Up to now, our silence has been deafening.

Some questions have been raised as to what this Senator expects to do at the conclusion of my term. I am very much interested in this subject and very well may spend a fair amount of time trying to expose the use of child labor in products sold in American stores.

Second, we must eradicate child labor abuses in our own country. For example, the family farm is one of the enduring images of America, but today, American growers exploit thousands of immigrant children working long hours in hazardous conditions for meager pay. I have introduced legislation to strengthen protections for migrant farmworkers as well as other child laborers.

In addition, we need a stronger commitment from the Department of Labor, and we need to make sure that farmworkers are protected by our labor laws to the same extent as everyone else.

Third, foreign and U.S. manufacturers who use child labor overseas should be denied access to U.S. markets. Senator Harkin has introduced legislation to ban the importation of goods made by children. I am an original cosponsor of that bill. I also believe that until that bill becomes law, we must take additional steps to make sure American consumers can make informed decisions about the products they buy.

Fourth, as a world leader, the United States should attack this problem aggressively with a combination of sticks, such as trade sanctions and import bans, and carrots, such as technical assistance and aid for education.

As this chart shows, we provide billions of dollars every year to some of the world's worst violators. We should condition that aid on aggressive efforts to eradicate child labor abuses, and we should help cooperative nations to make those efforts. We are talking about a total of $113.1 billion that involves exports to the United States and U.S. aid. We are talking about almost $3 billion in U.S. aid and $110 billion of products bought from these very nations and brought into this country.

Fifth, if the United States is to continue to press for open markets around the world, we must—I repeat, we must—link free trade privileges to child labor protections. If we are to adopt the GATT treaty, for example, we must ensure that it addresses the problem of forced child labor. Otherwise we send an unmistakable message to U.S. and foreign manufacturers: Go right ahead and exploit the world's children, and then bring the fruits of their labor to our markets, and we will meet you with open arms.

Some of the witnesses we will hear from this morning have travelled thousands of miles to be here. I want to thank them very much for their efforts, and I look forward to hearing from all of them.

Senator METZENBAUM. Our first witness is Lesly Margoth Rodriguez Solorzano, a garment worker from San Pedro Sula, Honduras. She is accompanied by Charlie Kernaghan, National Labor Committee for Worker and Human Rights in Central America.

Charlie, would you be good enough to introduce Lesly to us, please?

STATEMENTS OF LESLY MARGOTH RODRIGUEZ SOLORZANO, GARMENT WORKER, SAN PEDRO SULA, HONDURAS, ACCOMPANIED BY CHARLES KERNAGHAN, NATIONAL LABOR COMMITTEE FOR WORKER AND HUMAN RIGHTS IN CENTRAL AMERICA, NEW YORK, NY; ALFONSO, GARMENT WORKER, LOS ANGELES, CA; AND ROBERTO CARLOS GUIMARAES, FOOTWEAR WORKER, IGREJINHA, BRAZIL

Mr. KERNAGHAN. Certainly, Senator.

The National Labor Committee has brought a brave young woman from Honduras, Lesly Rodriguez, to testify before you at these hearings. Lesly is just one of thousands. We estimate that there are over 6,000 Honduran children who assemble apparel for U.S. companies in Honduras.

The National Labor Committee, along with Crowing Rooster Arts, is making a film on the maquiladora industry in Honduras, and after Lesly testifies, we will see a short excerpt of that film. Ninety-nine percent of what is produced in these maquiladoras is exported to the U.S. market.

Children between 12 and 15 years of age make up a full 13 percent of the work force in the maquilas in Honduras. These children's rights are completely denied; they are subject to physical punishment, to forced overtime of long hours, and to sexual harassment.

Government officials in Honduras from the Labor Ministry are not even allowed access to the factories. Armed guards bar their entry. So this problem is one of very large scope.

Just as quick background, Honduras exports to the United States twice as much apparel as the United States exports to the United Kingdom, France, Italy, and Germany combined.

Lesly?

Senator METZENBAUM. Lesly, we are very happy to have you here. It takes a lot of course, and we are pleased that you are with us.

Ms. Rodriguez. [Through interpreter.] My name is Lesly Margoth Rodriguez. I am from Honduras. I turned 15 years old on August 5.

I began working in a maquila factory making sweaters for Liz Claiborne when I was 13. I worked for a Korean company called Galaxy Industries which is in the Galaxy Industrial Park. There are many girls who are my age, and some are 13, like I was when I started.

I want to tell you about our work day. It starts at 7:30 in the morning, and we work until 7 at night. Several times a week, we

work through to 9:30 or 10:30 p.m. They give us a half-hour break for lunch. Many weeks, we have to work up to 80 hours.

They demand a production quota that is too high, and we are unable to complete it. If we succeed in producing the quota, the next day, they increase it again, so we are always working under great pressure and never able to produce the quota.

Some of the girls are forced to take work home with them since they cannot meet the quota the company demands. About 70 or 80 girls do this. Sometimes they work to one a.m., and they do not get paid for the work they do at home. We have to get up at 5 a.m. to get to work on time.

I get paid 188 lempiras a week—which I am told is about $21.36.

We are searched on the way into work. They do not want us bringing candy; they say it will soil the sweaters.

At work, we are not allowed to talk. If we get caught talking to each other, we are punished. The supervisors scream at us, or we are sent home for 3 or 5 days without pay. The managers are always screaming at us to go faster, go faster. Sometimes they hit the girls on the head or in the back. If they say we have made a mistake, the supervisor throws the sweater in our faces and yells that we are dogs.

The managers like to touch the girls; they grab your buttocks or your breasts. Some of the girls believe that if you let them touch you, you will get a little extra pay at the end of the week.

During the day, we get no break other than lunch. To use the bathroom, you have to raise your hand to ask permission. They keep the bathroom doors locked. We are allowed to go to the bathroom once in the morning, once in the afternoon—no more than that—and they time you; if you take too long, you are punished.

There is a lot of dust or lint in the air, which makes you choke. Everyone has problems breathing, like asthma and bronchitis. Before the sweaters are pressed, when you are handling them, the dust flies up everywhere. The company does not pay health benefits or sick days.

I left school after the 5th grade so I could go to work to help my mother. My mother did not want me to go. She wanted me to stay in school and finish the 6th grade. But the company told me not to worry, that I could go to school at night. We have public schools open from 6 p.m. to 9 p.m. But then they never let me go, since we had to work every night until 7 or 8 or 9 p.m.

A year ago, I affiliated to the union. We all want a union so the Koreans will treat us better and respect our rights. When they found out we were organizing, they illegally fired over 35 girls and threatened the rest of us. We even went on strike, all 600 of us, at the beginning of this year. But the company just fired more of us and then promised us health care, and a cafeteria. They said that they would not mistreat us anymore. But nothing has changed.

The people from the government, the Labor Ministry inspectors, were never allowed into the plant; the company would not let them enter.

I wish that the people in the United States knew what pain these sweaters cost us. Here in the United States, I am told that the Liz Claiborne sweaters I make cost $90. I earn 38 cents an

hour. In addition to my union work, I belong to an Evangelical Church, where I am a deaconess, and I am a member of CODEMUH, a women's group. My dream is to be a lawyer or a union organizer and to help my people.

Thank you.

Senator METZENBAUM. Thank you very much, Lesly.

Now, Charles, I understand you have a videotape that you want to show us, and then I will ask some questions of Lesly.

[Videotape shown.]

Senator METZENBAUM. That was a very powerful movie, Charles. We appreciate it.

Lesly, several days ago, one of my staff purchased this Liz Claiborne sweater, a nice-looking sweater, and I think he paid $60 for it at Macy's. Have you ever seen it before, and if you have, did you do any work on it, and how much were you paid?

Ms. Rodriguez. [Through interpreter.] Yes, I worked a lot on that sweater, and the production goal for that sweater was 300 piece and 50 repairs.

That Liz Claiborne style, we produced 70,000 of them, and when we were able to produce too much in a day or more in a day, they would increase the production goal because they wanted us to work very quickly. When we were doing this sweater, we had to get in half an hour early, at 7 o'clock, and then at 12 o'clock noon, and they made us work until 8:30 or 9:30 or 10:30 at night.

Senator METZENBAUM. Was there any extra pay for that?

Ms. Rodriguez. [Through interpreter.] No, they never paid overtime, because they said they had to produce a lot of this style because they were not making any profits. So if we worked 80 hours, they did not pay the wage that we should have gotten.

Senator METZENBAUM. That is incredible. That is absolutely incredible.

Lesly, you have shown great courage in coming here to testify. It is not easy to come from Honduras and testify before a U.S. Senate Committee. And I want to talk with each of you afterwards, but I think it would be more appropriate if we hear from all of the witnesses first.

Before doing so, I would like to welcome to this committee hearing Senator Tom Harkin of Iowa. Senator Harkin has introduced legislation having to do with the importation of products made with child labor, and I am an original cosponsor of that legislation with him. Tom Harkin has been a consistent force for the rights of working people, with particular emphasis on children, in his career in the Senate, and I am very pleased that he is here with us.

We also welcome Senator Wellstone, who has not been here as long as Senator Harkin, but in the short period of time he has been here, he has made a great record for himself, for the State he represents, and for the country. He also is one of those particularly concerned about child labor, working rights, and human rights, and I am very happy that he has joined us this morning.

If either of you have a short opening statement, or we can just go ahead and put those in the record; whatever you prefer.

Opening Statement of Senator Harkin

Senator HARKIN. Just very briefly, Mr. Chairman. First of all, I want to thank you for holding this hearing entitled, "Child Labor and the New Global Marketplace: Reaping Profits at the Expensive of Children?"

I want to thank all of you who have come a great distance. I was very impressed, Lesly, with your testimony. I am sorry I was a little bit late getting here.

I do want to commend Senator Howard Metzenbaum for his great leadership in this area, not just now, but for all the years he has been in the Senate. We are going to sorely miss him when he retires at the end of this session.

It is appropriate that we have this hearing at this time. September 18th was the International Day of Children Working in Servitude, a day which recalled the fact that, according to Anti-Slavery International, millions of children work in bondage in the world today. Moreover, it is timely as the U.S. Senate may soon take up the GATT implementing legislation.

The tragedy of child labor is a global problem, and it is getting worse. Hundreds of millions of children as young as Lesly and even younger are working 10, 12, 15 hours a day.

Last year, as chairman of the appropriations subcommittee that funds the Department of Labor, I directed that the Secretary of Labor undertake a review to identify those foreign industries and their host countries that utilize child labor in the export of manufactured products from industry or mining to the United States. That study, the first of its kind ever conducted by the United States Government, is now complete. It has just been released recently. I first of all want to thank Jack Otero, the assistant secretary who is in charge of Labor's International Affairs Bureau. I want to thank him, and I want to thank Sonia Rosen for their great work in pulling this study together.

This study provides us with the broad contours of the problem of the use of child labor in products being imported into the United States.

I would just ask the remainder of my statement be included in the record, Mr. Chairman.

Senator METZENBAUM. Without objection, it will be included.

Senator HARKIN. Let me just close by saying that I really do not believe that American consumers will knowingly and willingly buy products that are made with the sweat and toil of child labor—but we do not know it. You do not know when you go into a store what products are made with child labor and which are not. And that is the goal of my legislation—to identify those industries and to identify those products, and if they are made with child labor, in violation of United Nations agreements, then I think we ought to ban those products from the United States.

I do not believe that we ought to be the marketplace for child servitude in the world, and I think we ought to take the lead in this effort.

Later, Mr. Chairman, you are going to have Kailash Satyarthi testify, and I see him in the audience, and I commend him for the great work that he has done in India.

There are forces at work around the world trying to put an end to this, and I think it is time for the United States to step up to the plate and assume its leadership role in this effort, by denying products made with child labor from coming into this country.

Thank you.

[The prepared statement of Senator Harkin follows:]

PREPARED STATEMENT OF SENATOR HARKIN

Good Morning. I would like to thank you all for attending this hearing entitled "Child Labor and the New Global Marketplace: Reaping Profits at the Expense of Children"

I would also like to commend my good friend and colleague Howard Metzenbuam for holding these hearings. I think it is especially appropriate that we release this study at this time. September 18 was the International Day of Children Working in Servitude—a day which recalls the fact that, according to Anti-Slavery International, millions of children work in bondage in the world today. Moreover, it is timely as the U.S. Senate may soon take up the question of the GATT implementing legislation. The impact of the new trading agreement and trading order on questions such as child labor are being ignored by too many people.

The tragedy of child labor today is of global proportions and getting worse. The situation is as deplorable as it is enormous.

Both UNICEF and the ILO estimate that hundreds of millions of children worldwide under the age of 15 are employed. Many of these children begin working in factories in such industries such as glass, metalworks, textiles, mining and fireworks manufacturing at the age of six or seven. They are poor, malnourished and often work sixty or seventy hours a week with little or no pay.

As some of you may know I have long had in interest in this problem. Last year, as chairman of the Labor HHS Appropriations subcommittee I directed that the Secretary of Labor to undertake a review to identify those foreign industries and their host countries that utilize child labor in the export of manufactured products from industry or mining to the United States. That study, the first of its kind ever conducted by the U.S. Government, is now complete and has just been released. The task of completing this study was assumed by the Department of Labor's International Affairs Bureau.

This study provides us with the broad contours of the problem of the use of child labor in products being imported to the United States.

I do not believe that U.S. consumers would willingly buy products made by child labor. However, consumers are often unaware that some products they buy are made by child labor. This study takes the first step of identifying those industries and those countries in which child labor is utilized.

I know that my good friend Jack Otero will be testifying today and I look forward to hearing from him.

As you may also know I have introduced in legislation, the "Child Labor Deterrence Act" that would prohibit the importation of products to the United States made with child labor.

I would like to make it plain: the issue of child labor is a question of fundamental human rights.

In the 1970's, we established the principle and practice that the United States should use its economic aid programs to insist upon human rights improvements in recipients. Likewise, today we should build on that legacy and require that the United States use its far-reaching economic leverage and markets to insist upon respect for basic human rights.

Countries do not have to wait until poverty is eradicated or they are fully developed before eliminating the economic exploitation of children. In fact, the path to development is to eliminate child labor and increase expenditures on children such as primary education. Many studies indicate that the worst abuses of child labor occur in the midst of high adult unemployment, acting as an obstacle to increased productivity. In the medium and long term, economies will only be competitive with a skilled and literate work force.

The problems of international child labor are diverse, complex and require multiple solutions. But the strongest incentive for going to work on these solutions is to threaten removal of the rewards that international exporters and importers gain from ignoring the problem as my legislation seeks to do. Strengthening the will to change by this measure will make it much easier to find more basic solutions and, even more important, the way to a different future for too many of the world's children.

Again, I commend Senator Metzenbaum and his staff on the subcommittee for holding these important hearings. I would also like to make special note that among those testifying today will be my friend from the South Asian Coalition on Child Servitude, Kailash Satyarthi, who is doing the work in the trenches combating this problem rescuing children working in bonded labor.

I welcome him, as I welcome all of you here today, to discuss this very important issue. Thank you.

Senator METZENBAUM. Thank you very much, Senator Harkin.

Senator Wellstone?

OPENING STATEMENT OF SENATOR WELLSTONE

Senator WELLSTONE. I will be very brief. First of all, Mr. Chairman, I echo the words of my colleague and very, very good friend Senator Tom Harkin from Iowa.

Second, I just want to go on the record that the U.S. Senate and the U.S. Congress and the United States of America are going to miss you, Senator Metzenbaum, and I want you to hear that. We are all going to miss you. It is going to be one big, great loss for our country. We all wish you well, but it is only fitting that Senator Metzenbaum be the one who essentially takes these justice issues and brings them here to the Senate and insists that we address these issues.

And third, I would like to say to all of the panelists, those of you who are here before us now and the others who will testify, that you all inspire me, and I hope that we can do well for you.

Thank you, Mr. Chairman.

Senator METZENBAUM. Thank you very much, Senator Wellstone.

Let us hear now from Alfonso, a garment worker from Los Angeles. It is my understanding that "Alfonso" has some concerns about his identity with respect to his employment.

Alfonso, bienvenido, and please proceed.

ALFONSO. [Through interpreter.] My name is Alfonso. I live with my family in California. I work in the sewing industry, and I work from 7 in the morning until 5 in the afternoon from Monday to Friday.

I am a single-needle operator, and they pay me a piece rate. I am 15 years old.

The conditions in the factory are very bad. There is no space to walk, there is no place to eat, there is no air conditioning, and there are no emergency exits. They also do not let us go to the bathroom.

They pay by piece rate. If I do a vest, for instance, they pay 13 cents, or if I do a band, they pay 12 cents. when I began, I made $40 to $80 a week. Now, since I have more experience, I make $140 to $180 a week. But when there is a lot of work, then they drop the price for each piece, because they want you to work more for the same price.

If a labor inspector comes, then a person who is in the trust of the management tells us to leave and to come back in a little while, or to come back the next day, so that they will not realize.

If you are injured, if you hurt your finger or something, you have to take care of yourself, and we have no insurance, no medical insurance.

I would like to go to school, but I cannot because the money is not enough. I have to pay for rent, and for food and clothes, and for the bus.

Thank you.

[The prepared statement of Alfonso may be found in the appendix.]

Senator METZENBAUM. Thank you, Alfonso. We will have some questions, but I think it is only fair that we hear from the full panel of witnesses first.

Mr. Roberto Guimaraes, we are happy to have you here with us this morning. You are from Brazil.

Mr. GUIMARAES. [Through Interpreter.] First of all, I would like to convey my greetings to this distinguished assembly. My name is Roberto Carlos Guimaraes. I am 17 years old and have been working in the shoe manufacturing industry since I was 11.

I live in the town of Igrejinha, in the State of Rio Grande do Sul, in Brazil. This town is located at the center of the most important shoe manufacturing area in Brazil, a cluster of industrial towns known as the Vale do Rio dos Sinos, or in English, Bell River Valley.

I am the youngest in a family of 11 children. Currently, myself and my 10 brothers work in shoe factories. In a Brazilian family of laborers, boys become aware at an early age that by 12, they are expected to seek employment to help support their families. Beginning when they are 8 years of age, girls are supposed to take care of younger siblings and help with house chores like cooking, doing the laundry, and house cleaning, so their mothers can work in the factories. By age 12 or 14, they too head for the factories, looking for employment.

The union-sponsored Department of Socioeconomic Studies has determined that a family of four needs an income of $700 per month to live decently. Yet a skilled shoe factory worker with 15

or 20 years in the profession earns less than $200 a month. If we dare ask for a salary raise, the employers response is that raises are out of the question, for they would drive up prices of Brazilian shoes, and exports would decrease or ultimately disappear, and so would our jobs.

It is important to note that 30 to 35 percent of the workers employed by the shoe manufacturing industry are under age 18. In export-oriented factories, this figure can go as high as 45 percent. From this 45 percent, approximately 18 percent are under the age of 14.

Salaries paid to workers in the footwear industry are very low. Skilled workers in this sector earn in U.S. dollar figures between 80 cents and $1 per hour. Their monthly income ranges from $175 to $220. Unskilled workers, who constitute a majority, earn between 35 cents and 57 cents per hour if they are lucky enough to work for more than 6 months in the same factory.

I started my career at the Haidrich Footwear Shop, without social security or employment records, since the law prohibits children under 12 from performing salaried work. On October 1, 1988, I was duly registered and worked for the above business until May 31st, 1990. I worked 5 hours a day during the afternoon, and in the morning, I attended school.

Later, I quit my job at Haidrich because I wanted to work for a larger establishment, hoping to earn a better salary and attain some progress in my profession. By this time, Brazil had changed its law to prohibit employment of young people under 14. But many factories, including Calcados Morgana Footwear, where I worked from February 25, 1991 until March 31st, 1992, ignored this law.

I personally knew six young Morgana employees who were under 14 years of age.

After I quite my job at Haidrich, I worked at several shoe factories on a 44-hour-per-week basis. In these factories, the working conditions were less than satisfactory, and there were many problems. In my case, for example, because of some poisoning in the environment, I became ill with a pulmonary infection that kept me out of work for 15 days. The medical diagnosis on record shows that this malady was the result of excessive exposure to chemical compounds used in this factory.

Workers in the factories where I worked were under great pressure due to excessive productivity demands by the employer and were often punished for the slightest mishap. Use of the restroom was restricted to one time per shift and for no more than 5 minutes at a time.

During the period from September 17, 1992 to October 1, 1993, I worked at the Zeket Shoe Factory, assembling and finishing shoes and performing general tasks. I was fired from my job at Zeket because I participated in a strike in connection with a campaign to improve salaries and to have a proper union contract. This was in 1993. Since October of 1993, I have been unable to obtain regular employment in the larger factories. Instead, I went from cobbler shop to cobbler shop, working for undetermined periods of time as an undocumented employee and making shoes at home under contract to a cobbler shop, which in turn was under contract with a factory.

By the way, it is in these small shops where the employees work without documentation that one finds the greatest exploitation of child labor. Haidrich Footwear, where I began working at age 11, had 12 employees. Seven of them were also age 11 and were working illegally.

My inability to find employment continues to this day, since I am on the so-called "black list" of the shoe industry for having engaged in union activities. The existence of such a list is widely known. Since I was on the shoe industry's black list, I could not do any better. It must be noted that the existence of these lists in fact actually exists as a fact.

My own brother, who went to see his supervisor at the factory where he works in an attempt to help me obtain employment, was told by the supervisor that he was powerless to do anything since my name was on the black list.

It is difficult to work at the factory and go to school at the same time. Life is very hard when you have to do both—work at the factor and attend school. I used to work 44 hours a week. I would get up at 6:30 in the morning and would be finished with my work at the factory by 6 p.m. Evening classes begin at 7 p.m. and last until 10:30 p.m., which means that if you work at the factory and attend school, you have practically no time to sleep at all.

Shoe factories do not have 6-hour day shifts. Employers are not keen on having workers go to school. A tired worker is less productive.

In addition, health hazards in the factory are many, but workers are not sure whether to blame the factory or poor diet for their health problems. Besides intoxication resulting from exposure to chemical pollutants, workers must go about their daily tasks in poorly-ventilated workplaces where overall sanitary conditions, especially in the restrooms, are far below acceptable standards. Many factories do not allow their employees a break for a quick meal or a snack. Some are late in paying their salaries, and every one of them make excessive productivity demands, forcing the employees to work at a fast pace the entire shift, and if necessary, doing extra hours.

The main problem is pressure in the workplace. The worker does not have many rights. The worker has practically no right to complain against what he or she thinks is wrong. Such pressure extends well into the union domain. Many workers are afraid to speak to a trade union representative on the factory grounds and fear joining a union, for when hard times befall the company, the first ones to go are workers with a reputation for standing up for their rights, that is, unionized workers.

There are factories that arbitrarily dismiss union leaders or resort to bribes, keeping them out of the factory while maintaining them on the payroll, thus buying their silence and stopping their activities toward the solution of these problems.

Senator METZENBAUM. Does he have much more, because we are well over the 5-minute limit on testimony.

Mr. GUIMARAES. [Through interpreter.] Thank you for this valuable opportunity to present the above facts and express my feelings. I hope that this statement will not only help bring a solution

to the problems faced by the workers of Brazil, but will somehow be put to good use by the American working class as well.

[The prepared statement of Mr. Guimaraes may be found in the appendix.]

Senator METZENBAUM. I want to thank all of you. Not only were your statements superb, but it took a lot of courage in order to make those statements. I just have a few questions I would like to ask of you.

First, what will happen to you when you return home? Will you be able to return to your jobs? And what would you really like to be doing with your life if you had your choice?

Lesly?

Ms. Rodriguez. [Through interpreter.] When I left, many of the workers knew that I was coming here to this place, but they did not know why, and they did not know what kind of declarations I was going to give. And I think it is going to be a great success when I go back, and they find out that our rights are going to begin to be respected in Honduras.

Senator METZENBAUM. What about the employer? How is he going to feel? What about Liz Claiborne?

Ms. Rodriguez. [Through interpreter.] I think that the Korean boss and the Honduran bosses are going to be very bothered when they find out about this, and I think that I will never be able to work in a maquila anymore, because Liz Claiborne does not want it to be known, and they think that the suffering there is never known by the people here.

Senator METZENBAUM. What would you like to do with your life if you had your choice, Lesly?

Ms. Rodriguez. [Through interpreter.] Well, before I went to work, I thought I would be able to continue my studies and be someone; but the economy, the economic situation is very critical there.

I would like to be a link, a bridge, to help other children so that they are not in slavery like I am now under the Korean management. Now, there are more and more children entering into this kind of slavery, and the violence against them is increasing. And I think that if many people have this same idea that we can stop this kind of treatment.

[The prepared statements of Ms. Rodriguez and Mr. Kernaghan may be found in the appendix.]

Senator METZENBAUM. Thank you, Lesly. You are such a good witness that before we conclude, I am going to have one of my staff come down and take that camera that you have in front of you and take your picture, so you can take it home with you.

Alfonso, that is not your real name; is that correct—or am I misinformed on that?

ALFONSO. [Through interpreter.] My correct name is Alfonso.

Senator METZENBAUM. I did not know that. I had been told that he was coming under a pseudonym.

Alfonso, what do you think will happen to you when you return home? Will you be able to return to your job? And what would you like to be doing with your life 10 years from now?

ALFONSO. [Through interpreter.] When I return, if nobody knows, they will give me work; but if somebody realizes, then they will throw me out.

Senator METZENBAUM. I want to say to each of the witnesses that my staff will give you an envelope that will be preaddressed, and if you lose your job by reason of your having testified here, I would appreciate you writing me, and I will attempt to intercede, because I think it would be highly inappropriate. Certainly, I think a company such as Liz Claiborne would be much embarrassed. I do not know exactly whom Alfonso's employer manufactures for, nor Roberto, but I would try to be helpful if I possibly could, and I am sure a number of my colleagues would help me in that respect.

ALFONSO. Gracias.

Senator METZENBAUM. Alfonso, is there anything else you would like to tell this committee?

ALFONSO. [Through interpreter.] That you should help the children so that they will not keep working.

Senator METZENBAUM. Thank you. I think that is very well stated, Alfonso, and I appreciate it.

Roberto, you are not working now because you have been blacklisted. For whom are those shoes that are manufactured in Brazil made? Are they made for export to the United States or to other parts of the world?

Mr. GUIMARAES. [Through interpreter.] They were manufactured for export to the United States, Europe, and to be sold in the domestic market.

Senator METZENBAUM. Roberto, do you know the name of any of the companies for which those products are being manufactured?

Mr. GUIMARAES. [Through interpreter.] No, I do not.

Senator METZENBAUM. Well, you have all been extremely helpful. It takes a lot of courage to come from Brazil, to come from Honduras, and to come from California to appear before a Senate committee, and I just want each of you to know how much not only I appreciate it, but the members of the Senate appreciate it, and I think the country as a whole.

Mr. Kernaghan, we appreciate your efforts in this respect, and Barbara, for your efforts as the translator.

Charlie?

Mr. KERNAGHAN. Senator, I want to commend you tremendously for holding this hearing. At this particular moment, the maquiladora companies in Central America and the Caribbean are seeking increased duty-free access to the United States market. They are here in front of the administration with their hands out, asking for a $160 million per year tax break to bring their goods duty-free into the United States.

There is no stronger position that the U.S. people have been in, or the Honduran people, or the Guatemalans, or the U.S. Congress, to demand that these companies respect worker rights, women's rights, and children's rights.

And just personally, when we go down to the region and we try to work with our friends and our sisters and brothers down there, the one thing that the companies have is the minute we start to discuss worker rights or children's rights, they say, "We are leaving. We are going to Guatemala." If we are in Honduras, they tell

us, "We are going to Guatemala, or we are going to the Dominican Republic," and they just hop from country to country.

A bill like Senator Harkin's bill, of which you are an original sponsor, Senator, would give us some handle over these companies so they could not just hop from one country to another, to escape all sorts of regulations.

So I think that this hearing is tremendously well-timed and very, very important.

Senator METZENBAUM. I appreciate your point. I will ask a number of my colleagues to join with me in bringing the subject of this hearing to the attention of those in the administration charged with responsibility in this area and see if we cannot make some impact.

Thank you very much. Thank you all very much.

Our next witness may very well have achieved a distinction that I am not sure any witness has had before. I believe that she has travelled a longer distance to be a witness at this hearing than perhaps any person ever in the history of the U.S. Senate. She comes from Dahka, Bangladesh. She arrived on Sunday at our invitation.

Her name is Nazma Akther, and she is a former garment worker. We are very happy to welcome her.

Also seated at the table is Mr. Kailash Satyarthi, who is the Bonded Labor Liberation Front chairperson in New Delhi, and some of us saw him achieve great national fame in this country recently when he was helping to release a number of children working in India. We are all on your team, pulling for you, and we were a little bit concerned that you would get beaten up or shot in the effort, but apparently you made it well.

We look forward to hearing from you shortly, but first we want to welcome Ms. Akther and ask her to proceed. You are accompanied by two other people. Do you wish to identify yourselves, please?

Mr. COLLINGSWORTH. Yes. I am Terry Collingsworth, and I am the director of the Asian American Free Labor Institute, or AAFLI, program in Dahka, Bangladesh, and Nazma and I have been working closely together. It is my pleasure to introduce her, as she is one of the best-known garment workers in Bangladesh because, although she started working at the age of 11, by the time she was 15, she led a spontaneous strike that turned into a hunger strike and demonstration against one of her employers for failing to recognize the most basic components of Bangladesh law.

She is now very well-known among her colleagues, the one million garment workers in Dhaka, most of whom are female, as a courageous union organizer. So she is here today to speak for them.

Senator METZENBAUM. Thank you. And the other lady is?

Ms. HAIDER. I am Roquia Haider. I am also from Bangladesh, but now I am working for the Government of the U.S., with Voice of America. I am Bangladeshi-American.

Senator METZENBAUM. Thank you

Please proceed.

STATEMENTS OF NAZMA AKTHER, FORMER GARMENT WORKER, DHAKA, BANGLADESH, ACCOMPANIED BY TERRY COLLINGSWORTH, DIRECTOR, ASIAN AMERICAN FREE LABOR INSTITUTE, AND ROQUIA HAIDER; AND KAILASH SATYARTHI, BONDED LABOR LIBERATION FRONT, AND CHAIRPERSON, SOUTH ASIAN COALITION ON CHILD SERVITUDE, NEW DELHI, INDIA

Ms. AKTHER. [Through interpreter.] Good morning. My name is Nazma Akther. I would like to thank the Subcommittee on Labor and particularly Senator Metzenbaum for giving me the opportunity to be here today on behalf of my brothers and sisters working in the garment factories of Bangladesh.

I hope my testimony today will be helpful to you, and that we can all learn more about the problem of child labor from these hearings. We need to work together to prevent millions of new children from being added to the swelling ranks of illiterate, unskilled workers who have no future because they were forced to begin working before they had a chance to obtain an education.

I have submitted my detailed testimony to the subcommittee, and here I will make a brief statement, the highlights.

I am here today to tell you about the child labor situation in Dhaka, with particular emphasis on the prospects for a constructive solution. I can say at the outset, without hesitation, that there has been progress, and this progress can be exclusively attributed to the introduction of the Harkin-Brown bill, which would prohibit products made with child labor from being exported to the U.S.

I started working full-time in a garment factory when I was 11 years old. By the time I was 15 years, I worked regularly in three different factories. Many other children were working alongside me. The conditions were unhealthy, and the hours were long. When I started, I worked over 70 hours a week for just 300 taka per month, or roughly US$8.

We were often paid late, forced to work overtime, and we were bitten, slapped, and had our ears pulled for making mistakes or being late.

Bangladesh has had a law since 1965 prohibiting child labor for children under age 14. This law was ignored. Only when the Harkin bill was introduced did the factory owners get concerned and begin hiding the children when the foreign buyers came.

I was fortunate that I managed to get some education and began helping my fellow workers. I am here for them, to carry their message, which is this. Child labor was ignored until the Harkin bill was introduced even though child labor has been illegal under Bangladesh law for over 30 years. You must pass the Harkin bill since it is the only hope we have for effective enforcement of the existing protective child labor laws.

Moral arguments and appeals to compassion have not made a difference. Linking child labor to economic finalities has finally gotten the attention of the factory owners and the government buyers.

Without some strong incentives for the factory owners and the Government of Bangladesh to provide educational programs for the child workers who will be terminated, the likely result of the Harkin bill will be that many of the children will simply be put out

of work. Whether there is some way to reward industries for contributing to schools or assessed financially in creating the schools is something—I do not know. But I urge you to consider the urgency of the dimension of the problem.

Along with this, please make sure to provide some reasonable period following passage of the law to ensure that the educational programs are in place before the children must be terminated under the law.

Allow for older children ages 13 and 14 to work part-time if they are in educational programs. This is consistent with ILO Convention 138 and will do much toward making it easier for these children to be able to afford to get an education.

Do not ignore the other issues of workers' rights. Child labor is a visible problem, but one of the reasons it has gone unchecked in the garment industry is that there are no effective trade unions to fight for enforcement of the laws. Also, because conditions in the government sector are so poor for workers, these jobs are the kind that children are channelled into. If the current laws concerning wages, hours, and conditions of work were observed, then adults would want the jobs and would be able to support their families without sending their children off to work.

There are plenty of unemployed adults who would welcome the chance to work in the garment industry.

I hope that my testimony today has been helpful. I would now welcome the chance to answer any questions. Thank you for the chance to bring the message of the garment workers of Bangladesh to you.

[The prepared statement of Ms. Akther may be found in the appendix.]

Senator METZENBAUM. Thank you very much, Nazma. I want to say I do not know where you got your schooling, but you sure learned to read, and read very well and very fast.

Nazma, I have a letter from the Government of Bangladesh which was sent this past April which states that: "The incidence of child labor in the garment factories is now almost negligible." Would you agree with that statement?

Ms. AKTHER. [Through interpreter.] This is a blanch lie. If any sensible person would stand near the factories from 7 a.m. to 8 a.m., they would notice that there are hundreds of children going—where—to the garment factories.

Senator METZENBAUM. The letter also states that the garment manufacturers are "compelled" to hire the children of their female employees; otherwise they would lose them. In your experience, is that an accurate statement? Do they have to hire the children of the employees in order to hold onto the workers?

Ms. AKTHER. [Through interpreter.] I do not agree with them, because I feel that if the parents are well-paid what they are due, and regularly paid, then these children can go to school and then later on join with their work.

Senator METZENBAUM. I have heard that some employers in Bangladesh have fired child workers by reason of the Harkin bill. Is that true, and if it is true, what has happened to those children?

Ms. AKTHER. [Through interpreter.] It is a fact that sometimes it happens when foreign buyers go, they say they cannot employ

the children. But these children are in dire poverty, and sometimes they go back to get their due, the overdue payment that they left at the factory, and they do not even get that. So the situation is really bad in such an event.

Senator METZENBAUM. Nazma, is there anything else you would like to say to us before we move on to Mr. Satyarthi?

Ms. AKTHER. [Through interpreter.] I look forward that the Harkin bill will ensure that these kids who are on the streets and in dire poverty and who grow up without education and really have no future—I would urge that before the Harkin bill becomes a law, before enforcing it, the U.S. Government should also take into account that these children get their due education and are not forced to live the situation I have faced in my life without education.

Nazma is fortunate that she is here today, but there are hundreds and thousands of Bangladeshi children who never see any glimpse of hope, and she urges that the Harkin bill really achieve its goal to educate the kids and better their future.

Senator METZENBAUM. I want to thank you very much. You are a very courageous young lady, and your testimony is very, very important to us, and we are very grateful to you. I know I speak for many in the Senate. I am not sure we are going to be able to pass the Harkin bill before this session concludes because we are going to conclude within the next few weeks, but I am hopeful that in the next session, of which I will not be a member, that we will move forward and enact it. I think it is critically important.

I also think it is important that our trade negotiators be advised of the substance of these hearings, which I intend to do, and that they put this issue on the agenda.

Thank you. I hope that before you go back, you will have a chance to enjoy a little bit of the United States. I do not know when you are going back, but we are very pleased that you were willing to accept our invitation to join us here today.

Thank you.

Ms. AKTHER. Thank you.

Senator METZENBAUM. Now, I notice you do speak some English. I think you probably could have made your entire presentation in English, because I talked with you before the hearing in English—but it would not have been nearly as fast, I am sure.

You have been a great witness, and thank you very, very much.

Mr. Satyarthi?

Mr. SATYARTHI. Thank you. I am grateful to this committee and personally to you, Senator Metzenbaum, for giving me the opportunity to speak on behalf of millions of children who are languishing in modern day slavery in India and in the whole of South Asia.

Senator METZENBAUM. Tell us who you are and what you do.

Mr. SATYARTHI. I thought that you had already introduced me when you mentioned my name. Well, I am Kailash Satyarthi. I am the chairperson of the South Asian Coalition on Child Servitude, which is a conglomeration of over 150 NGOs, trade unions, women's organizations, working for the liberation of children in India, Pakistan, Nepal, Bangladesh and Sri Lanka. I have been working in this field for over 15 years, after giving up my career as an electrical engineer.

It is really encouraging for me to attend this meeting and to hear from other friends, but it is also equally shameful to me when I ponder over the issue of child servitude, when I listen to the plight of my young sister Lesly, the testimony of my sister Nazma and others.

It is not the same for me alone; it is the same for all those who value and advocate human rights, children's rights, democracy, and civil liberties all over the world. How can we call ourselves civilized and cultured when having a backlog of over 200 million children in servitude in the world—and many of them in my country, many of them in America itself.

When I was leaving my country last week, one of the freed child slaves saw me off—a 6 or 7-year-old boy with an injury to his head. He did not know where America was, but he was making carpets which are sold in the Western world and maybe in America. When he was kidnapped from his village 3 or 4 years back, the same evening, he cried for his mother, and his master was very angry because other children got sensitized, and they started crying as well. So his master was very angry and hit the head of this young boy with a big instrument, and that boy still has a big scar on his head. It is not a scar, my friends—I feel, Senator, that it is a big blot on all of humanity and all of civilization. It is not just a boy in India, but can be found everywhere in the world.

I feel that there is no dearth of evidence, knowledge, research and surveys in any part of the world regarding child servitude, child labor. But I strongly feel that there is a serious lack of political will, the lack of social concern and consciousness on the issue. The lack of political will, we find in India, where we have no dearth of beautiful laws, where we have no absence of constitutional guarantees for the betterment of the children and guaranteeing them free and compulsory primary education.

India, Bangladesh, Pakistan are among those countries who are signatories to the UN Convention on the Rights of the Child. They are signatories to many of the ILO conventions, but they are not implemented.

We see the lack of political will in this country, too, where thousands of children are compelled to work in Florida, in California, in New York, and in other States. We see the lack of political will here, that after the introduction of the Harkin-Brown bill, nothing moved. A lot of pressure has been generated by the bill in my country and in many other countries, but I have a great fear that it will backfire if it is not passed quickly.

Millions of carpets and many other things are coming to this end. It is not the poverty or some other component which is forcing the children to get into a slavery situation in the carpet industry or leather tanning or the diamond industry. It is the greediness of some people—the people who live in India, the people who live in Washington and New York—in making money out of the sweat and blood of children. That is why we have supported the Harkin-Brown initiative, its letter and its spirit.

We have witnessed that the number of children in servitude has been growing parallel to the increase in exports. It is also true that the number of children in servitude has been growing parallel to the number of adults unemployed. It is a pity that each individual

child is working at the cost of the employment of his own father or mother or any other adult. We are witnessing that in all of South Asia and perhaps in other parts of the world.

We feel that the growing consciousness among consumers in some parts of the world is very helpful. I myself have engendered the freedom of thousands of children, but I felt that the number of children has been growing in export industries, so it is not really worthwhile to free the children since many other children will replace them. So that inspired me to initiate a consumer campaign 4 or 5 years back, in Germany, because Germany was the single largest importer of Indian carpet, and now, unfortunately, America is.

I am encouraged that a number of organizations here in the name of CLC, Child Labor Coalition, launched a consumer campaign 3 days ago. We are working along both these lines. We are trying to generate consumer consciousness on this issue, and we are equally trying to generate some political will on this issue in this part of the world.

Another point which I would like to raise in a minute is that many of the programs, mega-development programs, are ultimately resulting in the migration of hundreds of thousands of poor people, and the children are becoming the worst victims. Many projects which are funded by the World Bank, the IMF, and other agencies including USAID, are ending up in child slavery because the children do not find any avenues other than to become slaves.

So I would also like to urge the World Bank, the IMF and other funding agencies, through this body, to examine, before giving any funds, that their programs are not resulting in child servitude.

I would also urge the U.S. Senate, the U.S. Congress, to pass the Harkin bill. Maybe the Senate and Congress and President Bill Clinton will wait for a year or two; they may have many other things on their agenda and priorities. But Senator, the children cannot wait. Their childhood is being spoiled every moment, every day. So that is the urgency of enactment of such a law here in this Senate.

I also hope and would like to urge that the U.S. Government be one of the signatories to the UN Convention on the Rights of the Child and rectify the ILO conventions on minimum wage, as mentioned by you, Senator, in your statement.

Finally, I feel that we all need compassion which can identify the faces of millions of slaves with the faces of our own sons, our own daughters, and our own grandchildren. Perhaps that will help. Otherwise, I would like to say again that we have a lot of evidence now, but we need that courage and that urgency to act immediately.

Thank you.

[The prepared statement of Mr. Satyarthi may be found in the appendix.]

Senator METZENBAUM. Thank you very much, Mr. Satyarthi.

When you make these raids on these shops, do you encounter much resistance from the employers? When I saw the ABC piece on it, I did not see any evidence of management coming out and objecting or frustrating you; yet I cannot believe that that is the reality of the situation. I think some of your coworkers have been

attacked during raids on these factors. Tell us what is the situation.

Mr. SATYARTHI. Well, each time, we try to make the raid secret, and we plan it very carefully, as you saw in the ABC film. But there have been several times when I and my colleagues have been attacked, and I have lost two of my colleagues while struggling for the freedom of the children and other people. So that is always there. We are all in danger of our lives.

Senator METZENBAUM. I understand that some of them—this is the question I started to ask Ms. Akther—have agreed to put a special label called a "RugMark" on carpets not made with child labor. Can you tell us about this program, and have you been a party to it? What is that situation?

Mr. SATYARTHI. Since launching this campaign in Europe, I was not in favor of the total boycott of any item from any country. I have suggested that there should be a choice for consumers, and there should be a label on the carpet or any other item guaranteeing it be free of child labor. So we have been trying to develop such a label, and now we have been successful.

We founded a committee in the name of RugMark Foundation, which consists of UNICEF, India, the Indo-German Export Promotion Project, which is a German Commerce Ministry body, and my organization, the South Asian Coalition on Child Servitude, and representatives from the carpet industry who are pledging to produce carpet without child labor.

So this RugMark Foundation is going to issue the label to individual carpets; after a thorough inspection and control, these labels will be issued. We are hopeful that the consumers here and in Germany or anywhere will be able to find the carpets with that guarantee very soon.

Senator METZENBAUM. It is a superb undertaking, and I commend you for it.

Not surprisingly, the Government of India has expressed opposition to Senator Harkin's bill. The Government says poverty is the cause of child labor and that trade sanctions would only aggravate that condition. What are your views?

Mr. SATYARTHI. It is always said that poverty and unemployment are the reasons for child labor. The truth is the other way around. We have been advocating that child labor is responsible for the perpetuation of poverty, and that maintaining this unjust social system is creating unemployment.

For instance, today, Senator, we have 55 million children in servitude on one hand, but on the other hand, 55 million adults jobless. That has been the trend since 1947 when we attained freedom from the British. There were 10 million children at work in servitude, and 10 million adults jobless in 1947. So this is a parallel.

In all of South Asia, we have 80 million children in servitude and 80 million adults jobless. So this is not true.

Second, poverty and child labor combine in a vicious circle. It completes the whole circle. Many children are, of course, forced because of poverty, but if they start working as child labor, they will remain poor for their whole lives, and not only poor, but they will remain sick, illiterate, miserable for their whole lives.

So if we are allowing child servitude and child labor, we are certainly ensuring poverty for their whole lives.

Senator METZENBAUM. Thank you very much, Mr. Satyarthi. You also have travelled a long way from New Delhi.

And thank you, Ms. Haider, for being the translator and also for the work that you are doing.

We will now move on to our last panel, and thank you so much for being with us. Your testimony has been very meaningful.

We have two panels still to be heard from, and in view of the time, I am going to ask Mr. Jack Otero, Deputy Under Secretary of Labor for International Affairs at the Department of Labor, to join Pharis Harvey, executive director of the International Labor Rights Education and Research Fund in Washington, Neil Kearney, general secretary of the International Textile, Garment and Leather Workers Federation, from Brussels, Belgium, and Dr. Guido Bertolaso, deputy executive director of the United Nations Children's Fund, UNICEF, in New York.

Before we go forward with the testimony, we will take a very short recess, 3 to 5 minutes and no more.

[Recess.]

Senator METZENBAUM. None of you is from India, Bangladesh, or Honduras; you are all from the United States, and you know of our usual rule, which is a 5-minute rule for your testimony, which we did not use for the previous panels. We think that people who have travelled as far as some of our previous witnesses ought not be limited to 5 minutes. But Jack, I think you have appeared before us before, so please proceed.

STATEMENTS OF JACK OTERO, DEPUTY UNDER SECRETARY OF LABOR FOR INTERNATIONAL AFFAIRS, U.S. DEPARTMENT OF LABOR, WASHINGTON, DC; PHARIS HARVEY, EXECUTIVE DIRECTOR, INTERNATIONAL LABOR RIGHTS EDUCATION AND RESEARCH FUND, WASHINGTON, DC; NEIL KEARNEY, GENERAL SECRETARY, INTERNATIONAL TEXTILE, GARMENT, AND LEATHER WORKERS FEDERATION, BRUSSELS, BELGIUM; AND DR. GUIDO BERTOLASO, DEPUTY EXECUTIVE DIRECTOR, UNITED NATIONS CHILDREN'S FUND, NEW YORK, NY

Mr. OTERO. Thank you very much, Mr. Chairman, and good morning to you.

I am Jack Otero, Deputy Under Secretary of Labor for International Affairs. For the sake of brevity, I will summarize my testimony, but I will ask that the full text be included in the record.

Senator METZENBAUM. Without objection, it will be included in the record.

Mr. OTERO. This morning, Mr. Chairman, I want to congratulate you for holding this hearing, but also in particular, I want to congratulate you for the outstanding performance that you have rendered in the U.S. Senate, serving the American public, and I wish you a very happy and enjoyable retirement.

Senator METZENBAUM. Thank you very much.

Mr. OTERO. Today I want to discuss with you an important and critical topic, which is the economic exploitation of children. Last year, the Congress directed the Secretary of Labor to identify any

foreign industry together with its host country that utilizes child labor in the export of manufactured products to the United States. On September 19th, the Secretary of Labor transmitted to Congress a study conducted by our department, the Bureau of International Labor Affairs, on child labor worldwide. I would like to review some of the findings of our report.

One of the main reasons for initiating this study, I must say in passing, too, Mr. Chairman, is the longstanding care and concern for children of the distinguished Senator from Iowa, Mr. Tom Harkin, who has stated, and I quote, that "American consumers do not want to provide a market for goods produced by the sweat and toil of children."

In preparing the report, we made every effort to be as inclusive as possible. We drew upon the collective knowledge and expertise of individuals and organizations through the world who are concerned about the plight of working children. We also contacted and interviewed trade unionists, academics, journalists, and representatives of business and foreign governments. We also drew upon the knowledge and expertise and resources of labor attaches at United States Embassies abroad, and on April 12, the Department of Labor conducted a public hearing on this matter.

Mr. Chairman, I ask you not to look for any so-called smoking gun in this report, for there is none. The facts—and let me remind you that this is a factual report and not a policy paper; we are already in the public domain—but for the first time, we have gathered all of this information in one place.

In addition, I would like to stress that although the report includes chapters on 19 different countries from all the regions of the world, these are by no means the only countries which use child labor, nor are they by definition the worst. The universe of child labor is enormous and therefore very saddening. So how many children are we talking about?

My answer, sadly, is that we really do not know. We do know, however, that the ILO estimates that there are between 100 and 200 million working children in the world. But the ILO concedes that no systematic or precise survey has been conducted. Government statistics typically do not include economically active children below a certain age. Labor force surveys rarely cover illegal or clandestine work, home-based work, or work by refugee populations. Because statistical information on child labor is uniformly poor, our report makes no attempt to assess the actual number of children working in any country or any industry.

Child workers are found in a wide range of economic activities. The largest numbers work in family-based agriculture, as domestic servants, in restaurants, as street vendors, and in small scale manufacturing, and many times—too many times—they are exploited as prostitutes.

Most children work in the informal economy, which is generally not regulated by national law, rather than in the formal economy, although subcontracting in industries such as garments, shoes and carpets, often blurs the distinction between these two sectors.

Our study was focused by its mandate on a small percentage of child workers—those who are employed in export manufacturing and the mining industries. They are not commonly found in large

enterprises, but rather in small and medium-size firms and in neighborhood and home settings.

Those export industries which most commonly use children include garments, carpets, shoes, small scale mining, gem polishing, food processing, leather tanning, and furniture. I must also say that we found complex subcontracting arrangements where garments such as shoe parts are made in one country and sent to a second country for assembly and export to the United States.

Debt bondage of children, or children in slavery, is the most intolerable and exploitative form of child labor. While it appears to be more pronounced in Asia, bonded labor also exists in other parts of the world. In Pakistan, debt bondage is called the "peshgi" system. The use of bonded laborers in Pakistan's carpet and brick kiln industries is well-known.

Research documented in the report shows that many children are hired because they are more easily exploited than adults. Employers prefer children because they are docile, incapable of collective bargaining, and willing to work in support of their families or simply to survive.

Let me conclude, Mr. Chairman, by saying that this report if nothing else is an important first effort to collect information on children in the export sector on a global scale. Throughout the report, reference is made to the need for additional research. I hope that as the Congress of the United States considers the Department of Labor's pending fiscal year95 budget, that it will approve the funding that is provided therein that will enable us to conduct further research and investigation into child labor.

We at the Department of Labor intend to continue and broaden our relationship with institutions around the world that work for the benefit of children and to document situations where child labor is exploited. We hope, Mr. Chairman that something can be done so that we can somehow ameliorate the exploitation of children the world over. Surely, our own children deserve no less.

Thank you, Mr. Chairman.

Senator METZENBAUM. Thank you, Mr. Otero. I will have some questions for you, but I would just say parenthetically that I would hope that the Department of Labor would press our own Government leadership to sign the U.N. Convention on the Rights of the Child that has been signed, I think, by 160 other countries. I think that our own Government has a responsibility to be a signatory, and hopefully, our own Government would be taking a leadership role in dealing with these other nations which utilize child labor to the extent that they do, and meanwhile, we continue to permit their products to come in, we provide them with all sorts of financial aid, we provide them with special privileges as far as selling their products into this country.

I know that this Senator intends at the conclusion of this hearing to put together a letter both to the President and to others who have positions of responsibility in this area. This is an intolerable condition, and our Government should do everything possible to see that it is brought to an end, and refusing to sign on—I think it has relevance with respect to the GATT treaty, and I do not think that the conclusion of this hearing will be the end of this subject as far as this Senator is concerned, and I know that Senator Harkin and

others will continue on after I leave—although from the private sector, I too may get involved in this because I just think it is a horrible, horrible situation.

[The prepared statement of Mr. Otero may be found in the appendix.]

Senator METZENBAUM. Mr. Harvey, we are happy to welcome you, sir. You are the executive director of the International Labor Rights Education and Research Fund. Please proceed, sir.

Mr. HARVEY. Thank you very much, Senator Metzenbaum. It is an extreme pleasure to be here.

I had intended to begin my remarks by expressing my great respect for your many years of calling out in the Senatorial wilderness for the protection of people like children in the workplace; but I want to add that I was delighted at hearing you say this morning that after you leave this chamber, you intend to continue your work in relation to the problem of exploitation of children. We are delighted to hear that, Senator, and we will welcome you to the ranks of the nongovernmental forces at work on this.

I also want to thank you for bringing Jack Otero and the private sector together on the same panel. In my experience in Washington, this may well be a first, that the Government and the nongovernmental sectors sit together. I know it signals a new level of dialogue between us, and we are delighted at that as well.

This hearing is extremely timely, not only because of the very important study which has just been released, but because of the conclusion of the Cairo Conference on World Population and Development, which made an historic breakthrough last week in reaching a consensus that the world's population problems are significantly related to the status of women and families.

It is no coincidence that the areas of the world where child labor is most rampant are those countries or regions where population growth is highest and the status of women is the lowest. There is a very high correlation between areas of the world with low female status, high population growth, and abusive child labor problems. And if we are to focus seriously on programs and policies that will be effective in eradicating child labor, it is important to understand these links and to understand them correctly.

Child labor has frequently been described as the unfortunate but unavoidable byproduct of generalized poverty, and as has been said several times in this hearing already this morning, this is a fundamental reversal of the cause and effect relationship. Child labor, as we discovered in our explorations in India for the Department of Labor study and as has been our experience in many other countries, is a cause rather than an effect of generalized poverty.

Where large numbers of poverty-stricken, illiterate child laborers are at work, they become the next generation of sickly, poverty-stricken and illiterate adults who continue to regenerate poverty because they have no way of breaking out of it and to regenerate child labor.

Far more important than the fact of endemic poverty is the political and social tolerance for it, which is responsible for policies that perpetuate it. At the social level, this tolerance is exhibited primarily in attitudes toward minorities, so-called backward castes, and toward women; and at the policy level, it leads to redirection

of resources away from certain populations and from basic, broad-based development programs into programs that benefit an already privileged elite. It also prevents the generation of political will to enforce the child labor prohibitions and compulsory education laws where they exist, or to enact them where they do not.

I was pleased that you chose to show some of the pictures that we took on our visit to India. One of the pictures is of a little girl working at a silk-spinning factory in India. This little girls works 14 hours a day. Her factory boss told me that fact quite proudly. She works in a project which is funded by the World Bank. In that village, and in dozens of villages in that part of Southern Karnatika State in India, there are literally thousands of small children who, in the name of development and earning exchange for the country, are giving away their childhood and their adulthood. This is not a problem peculiar to India.

Senator METZENBAUM. What does the World Bank say about their responsibility?

Mr. HARVEY. They have not yet responded to this, but as you know, the United States has just passed laws in the appropriations bill that make it a requirement for the U.S. executive director to call the attention of these problems to the Bank and to work for changes in policies. I visited with the executive director just a few days ago in my office and showed her that same picture; she was shocked, did not know about it, but did pledge to do what she can to make a reversal of the kinds of priorities that lead to those kinds of development programs.

Senator METZENBAUM. You know, they say "money talks," and I think that the World Bank is in a position to have a real impact. And I think those of us in Congress who have concerns about this matter have an obligation to let the World Bank know how strongly we feel about it; notwithstanding the fact that we passed a law, I think we also ought to let them know in a more direct letter form, and I think we will put something together to them.

Mr. HARVEY. Very good. I think that is very, very important, because where official callousness and neglect exist, the World Bank will not be in a position to enforce its rules unless there is a strong culture within that Bank and from the donor countries to do so. And what we are seeing, whether it is the Narmada River Dam Project in India, which is displacing tens of thousands of tribal peoples who will go into child labor, or whether it is in projects like the silk-exporting project in Karnatika State, the World Bank is in a position to do something much better than it is doing.

There is not much time for me to complete my testimony. You have it in written form. It advances a number of other areas where we believe U.S. policy can speak to this. Let me say that I believe, on the basis of the experience we have had since the Harkin-Brown bill was introduced, that the most effective generator of political will at the national and subnational government levels in countries that are increasingly turning to the export of child labor products is the Harkin bill. It is generating a debate in India that has made Senator Harkin more famous than President Clinton.

Senator HARKIN. Or infamous, depending on how you look at it.

Mr. HARVEY. Well, yes, I will have to say that it is a negative fame you have achieved in some places. However, you have also

achieved a very positive fame among those people who are working to eliminate child labor, and you should take great comfort in that, Senator Harkin, and great encouragement to carry through the task with all of your colleagues in the Senate to get this bill passed as law. But it must be passed as law in conjunction with other measures that we take.

Our aid policies should be targeted at the problems that cause child labor—the lack of education, bad education, the lack of the enforcement of child labor laws, poor civil justice administration, etc. We should look at the whole package of our relationship with countries which have serious problems and address all of those problems. The best way to get them to do that will be in fact the Harkin bill.

Thank you very much.

Senator METZENBAUM. Thank you very much, Mr. Harvey. You testimony is very encouraging and very supportive and we appreciate it.

[The prepared statement of Mr. Harvey may be found in the appendix.]

Senator METZENBAUM. Mr. Kearney, you are the general secretary of the International Textile, Garment, and Leather Workers Federation, and you are with us from Brussels, Belgium. Is that your home, or are you an American?

Mr. KEARNEY. No; I am Irish.

Senator METZENBAUM. I see. Well, we are very happy to have you. Normally, someone coming from Brussels or from Ireland would be a long distance away, but we have had witnesses today, as you know, from India and Bangladesh. But we are delighted that you have made the trip, and your testimony is very important to us.

Please proceed.

Mr. KEARNEY. Mr. Chairman, thank you very much indeed for giving me the opportunity to testify before this hearing on international child labor.

I am Neil Kearney, and I am the general secretary of the 7 million-member International Textile, Garment, and Leather Workers Federation, which brings together some 180 affiliated unions representing workers in the textile, clothing, shoe and leather sectors in 85 different countries around the world.

During the more than 100 years of their existence, the international federations of workers in these sectors have campaigned against the use of child labor. In the past 6 years, I have had the opportunity of visiting some 105 different countries around the world and have witnessed first-hand the gross exploitation of children in every continent.

Today, my colleagues and I in the ITGLWF use every possible opportunity to highlight the evil of child slavery, because that is what it is, and to urge action to secure its elimination.

There is no dispute about the existence of child labor nor about its enormous growth alongside industrial development, particularly in Asia and Central and South America. However, its true extent is unknown. But trade union observations point to it being very much greater than the 150 to 200 million estimate by the ILO.

Let me straightaway say that it is necessary to debunk the many misconceptions about child labor. Above all, it is not caused by poverty, nor by culture nor by tradition. Child labor causes poverty. From Portugal to the Philippines, children work while their parents are unemployed, and if the working child does not deny his own parent a job, he prevents another child's parent working. And at the end of the month, the combined wages of perhaps three working children are less than one adult wage.

There is absolutely no gain for the countries concerned. Indeed, the opposite is the case. In Pakistan, half the children in bonded labor will be dead by the age of 12. The other half are likely to themselves become the parents of working children.

The only culture involved is a culture of greed by employers seeking cheaper and more docile labor, and the only tradition involved is the tradition of neglect by governments which, though aware of the problem, do nothing, or worse, actually promote its continuation.

American and European buyers and retailers disclaim knowledge, but they have to be blind not to see what goes into the manufacture of the products which they trade.

International regulations on child labor have existed for many years but with little impact, as the only means of their enforcement is persuasion. As we have seen, persuasion has not worked, so other mechanisms are needed, and quickly.

First, consumers in the industrialized world and working families in developing countries must be woken up to the horrors of child slavery. Consumer boycotts of all items made by children would have an immediate impact—witness the release of many of Nepal's carpet children and their replacement by family members as a result of consumer resistance in Europe.

Second, all manufacturers and retail organizations must be pressured into agreeing that they will not use child labor in their activities or do business with enterprises that do. A number of major companies have already adopted voluntary codes of practice on sourcing. Consideration needs to be given by legislators to making this mandatory.

In addition, we believe that legislation is needed in importing countries which would place responsibility on importers and retailers to ensure that child labor was not involved in the manufacturing process. Some will cry, "Unworkable," but again witness the situation in India and Bangladesh, where the biggest single influence on the child labor scene in years—perhaps ever—has been the Child Labor Deterrence Act introduced here by Senator Harkin. This proposal needs urgent enactment in the United States and should be copied worldwide.

Third, we need to establish international mechanisms to enforce the prohibition of child labor. The most effective way of doing this would be to link trade and respect for minimum labor standards through the inclusion of a social clause in international trade agreements. Such a clause would render countries which willfully suppress basic worker rights ineligible to participate in world trade, making access to world markets dependent on a country accepting and implementing basic labor standards, including the nonuse of child labor.

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The social clause, as it is known, would be implemented through the same transparent procedures that govern all international trade through the GATT and its proposed successor, the World Trade Organization. An ILO-WTO advisory board would review, on the basis of specific complaints, whether WTO member states were observing specified minimum labor standards. If a country were found to be systematically disregarding these standards, the advisory board would recommend measures to be taken within a specified period of time, and the ILO would offer technical aid. Of course, change could not be expected overnight, and trade sanctions would only be triggered by blatant disregard by the government of minimum standards.

A social clause would not act, as some have claimed, as a means of controlling imports or establishing barriers to trade, but as a positive lever to improved working conditions in exporting countries by laying down the most basic of employment standards.

Most countries would have nothing to fear from such a clause. On the contrary, they have everything to gain as the social clause would promote fair competition between developing country exporters and would ensure that those who do respect minimum standards are not penalized for their efforts to eradicate child labor. The benefits of trade would thus be distributed more fairly within the producing countries, ultimately benefiting their own growth and the expansion of world trade generally.

Fourth, governments in developing countries must be encouraged and assisted to develop economic and social programs aimed at eradicating poverty and creating appropriate educational opportunities for children.

And finally, here in the United States, legislators can give a formidable lead by ratifying the United Nations Convention on the Rights of the Child as well as the ILO's Convention Number 138, on minimum wage for admission to employment.

Far too often when I raise the question of child labor with governments around the world, they point to nations in the industrialized world which have not ratified the international conventions. These governments tend to say: "If they have not, why should we?" Nor does the unacceptably high and growing incidence of child labor here in the United States set a good example.

Mr. Chairman, it would be naive to expect that child labor will disappear tomorrow, but we must do everything possible to ensure that we eradicate, and that task cannot be shirked.

It was a great American labor leader, Samuel Gompers, who in Pittsburgh in 1881, in calling for action against child slavery, stated: "Shame upon such crimes. Shame upon us if we do not raise our voices against them. Shame upon all of us if we do not act now to free these hundreds of millions of children from slavery."

Thank you.

[The prepared statement of Mr. Kearney may be found in the appendix.]

Senator METZENBAUM. Thank you very much, Mr. Kearney. We appreciate your statement. It was very, very inclusive.

Our last witness is Dr. Guido Bertolaso, deputy executive director of the United Nations Children's Fund, UNICEF, from New

York. We are very, very pleased to have you sir, and maybe it is appropriate that you are our final witness.

Mr. BERTOLASO. Thank you, Mr. Chairman. I want to thank you first of all for inviting UNICEF and for your long-time support of the cause of children worldwide. I will try to be brief in my remarks. I have submitted a more detailed statement for the record. What I will say, I want to add, Mr. Chairman, is the result of the experience of more than 7,000 people in more than 125 developing countries, spending every minute of their jobs improving the quality of life of children of the world.

"Child labor" is a simple phrase which in fact encompasses an extremely complex reality. Children work under a great variety of circumstances. Many of these circumstances are injurious, and some are beneficial. We believe that it is important to distinguish work from exploitative child labor.

In 1986, our executive board approved a policy on child labor that made this important distinction and specified certain criteria that may be used to determine when work constitutes exploitation. We have found that the following criteria can be useful: full-time work at too early an age; too many hours spent working; work which exerts undue physical, social, or psychological stress; work and life on the streets in bad conditions; inadequate pay; too much responsibility; work which hampers access to education and is detrimental to full social and psychological development; work that undermines children's dignity and self-esteem, extreme examples of which are contemporary forms of slavery and sexual exploitation.

The Convention on the Rights of the Child, that bill of rights for the world's children which entered into force in 1990, affirms in Article 32 that: "States parties recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development." This Article goes on to require governments to set a minimum age for employment, to regulate working hours and conditions, and to penalize those who violate child labor laws and regulations.

This—together with children's rights to relevant, quality and free basic education; to be protected against sexual exploitation, and to have their best interests safeguarded at all times—constitutes the legal-ethical framework within which UNICEF deals with child labor.

I must mention here that only 24 countries—and, as you stressed this morning, sadly, even in the United States—have not yet ratified the convention. And in behalf of my executive director, Mr. Grant, I want to thank you for your words and your commitment to urge the United States Government as well as, I must say, the other countries, to ratify this convention as soon as possible.

I fully agree with our friend Satyarthi when he says that ratifying a convention may mean nothing if there is not proper implementation of this convention; and we are fully convinced of that. For this reason, we believe that if the convention is going to become the first truly universal law in history by the end of next year, that will enable us to put a lot of pressure on the different countries to just implement what they have signed.

And we all know that despite the existence of conventions, legislation and resolutions on the subject, child labor persists, and the number of working children is even increasing.

We are convinced that more can be done—more must be done—in the area of child labor. And allow me to share with you a number of considerations that UNICEF feels are vital to efforts to combat child labor.

First, it is imperative to do away with the most exploitative forms of child labor, cruel or degrading garment, and bonded labor. Legislation alone is not enough. Broad social mobilization is needed, involving all sectors of society.

Second, we must improve the working conditions of children even where cruel exploitation and systematic abuse do not appear to be a problem.

Third, basic education must be seen as the surest solution to child labor. The international community has adopted the goal of attaining universal primary education by the year 2000. This goal obviously cannot be reached unless exploitative child labor is eliminated.

When basic education becomes accessible, relevant and free, parents will understand that the education of their children is the best investment in their future, and children themselves will also be motivated to get an education.

Fourth, we must make better use of existing legal instruments to combat child labor. But we must also bear in mind that legal restrictions can have effects quite opposite to the ones we seek. They can aggravate the situation by encouraging "invisible," unregulated work.

Fifth, developing country governments, industries, trade unions and nongovernmental organizations must cooperate to build mechanisms for responsibly transitioning young children from the workplace into education, training, and other activities that promote their welfare and development. This transition did not happen overnight in the industrialized countries, and it will not happen overnight in today's developing countries; but it certainly can be greatly accelerated.

Sixth and finally, the industrial countries should encourage holistic approaches to combating exploitative child labor and increase or restructure aid packages accordingly. In particular, assistance for universal primary education needs to be increased if we want to be serious in the child labor field.

UNICEF believes that there is no single answer to the complex problem of exploitative child labor which is so linked to local realities. Given new developments in this area and the emergence of promising new strategies in recent years, our policy regarding child labor is currently under review. Hearings and debates, such as the one we are taking part in today, are a most useful part of this process.

In a more detailed statement for the record, I mention the most innovative approaches to this problem UNICEF is undertaking with local governments, the ILO and AGOs in a number of countries such as India, Bangladesh, Brazil, Pakistan, Egypt, Kenya and the Philippines, as well as the linkages we foresee between the plan of action approved in Cairo and child labor, and some of the

issues that we feel heads of State should discuss at the forthcoming Social Summit in Copenhagen.

Thank you.

[The prepared statement of Mr. Bertolaso may be found in the appendix.]

Senator METZENBAUM. Thank you very much, Dr. Bertolaso.

I have just a couple of questions, and then I am going to turn it over to Senator Harkin, who is certainly a major player in this area. But before doing so, I want to thank Greg Watchman, who heads the staff of my Subcommittee on Labor; and Len Henzke, Marina Cole, and Tom Spooner. Let us not kid ourselves—in order to get witnesses from India and Bangladesh and Belgium and the UN, there was a tremendous amount of work put into it, and I just want to say publicly that all of the staff get special kudos, and I am very grateful to them. Thank you all very much.

Mr. Otero, a 3-month investigation by U.S. News and World Report found that up to 50 percent of all women's garments made in America are produced at least in part by sweatshops. These sweatshops pay half the minimum wage, force workers to work long hours in cramped, unsafe quarters; workers get no overtime pay and no benefits. What is the administration doing to enforce our labor and job safety laws in the garment industry?

Mr. OTERO. Senator, the administration is fully committed to ensuring that all of our laws are duly respected. There is a specific administration in the Department of Labor, the Wage and Hour Administration, which has jurisdiction over this matter. I am not in possession of information specifically as to what they are doing, since it does not apply to my particular department, but you will find that in recent weeks, the Department of Labor has taken action against companies that have violated basic labor laws. And the administration is committed to ensuring that there is full implementation of our laws, and that there will be more inspections of these premises.

Senator METZENBAUM. Good. Earlier this year, the President said he was adamant that the new World Trade Organization address the relationship between trade and worker rights. If we continue to pursue trade agreements that eliminate tariffs and open markets without a strong link to workers' rights, aren't we in fact inviting just the sort of abuses we heard about earlier today, and don't we have a responsibility to be doing something specific about this in connection with the ratification of the GATT?

Mr. OTERO. Indeed, Mr. Chairman, for a period of more than 7 years, the United States Government sought unsuccessfully to try to link trade to international labor standards in the Uruguay Round which has just been completed. Unfortunately, most of the developing countries that were concerned with these questions, including the issue of child labor, were very adamantly opposed, and as a result of that, the Uruguay Round was completed without the component part on labor standards. But the United States Government made some progress in Marrakesh when the Uruguay Round was signed, that there would be a preparatory committee that would look into the WTO to determine on these questions of linking trade and labor standards. And our administration is committed to pursue this matter with the WTO, with the OECD, and also, Mr.

Chairman, with the ILO. I am the United States Government representative on the ILO, and we are working very actively—in fact, the governing body has a special working party, and there will be a first report made in November when the governing body meets again. So we are committed to this question.

Senator METZENBAUM. Thank you very much.

Many of the countries in which these practices take place have child labor laws on the books, but they do not actually enforce them. In Indonesia, for example, 30 percent to 50 percent of the work force is under the minimum working age, but the Government has never prosecuted a single employer for child labor violations.

I will ask either Mr. Kearney or Mr. Harvey, what are the most effective ways for the U.S. to encourage countries like Indonesia to enforce their own laws?

Mr. HARVEY. Senator, we have a very effective tool which, if the administration chooses to use it, may have some important impact on Indonesia. Indonesia is currently the subject of a review of its labor rights practices under the generalized system of preferences. It was my organization which brought that petition to the U.S. Government. Unfortunately, the review of GSP in Indonesia has been messed up with political considerations relating to U.S. trade interests that counter its interests with protecting labor rights, and as a result, in February of this year, that review was suspended. It remains suspended without Indonesia having shown any progress.

But if this administration were to reinstitute this review and indicate that it is seriously concerned about the impact of violations of labor rights, including the rights of children not to be working, it would move that Government to begin to take some steps that it has been resisting because it has been getting mixed signals from the administration thus far.

Senator METZENBAUM. As I earlier indicated, I intend to write the President as well as Mr. Kantor and others who have responsibility in this area, and I know a number of my colleagues will join with me, and maybe we can get a little action that way.

Mr. HARVEY. Good.

Senator METZENBAUM. I have to excuse myself; I am due somewhere in 3 minutes, and I am not sure how I am going to get there unless I fly. But thank you all very much, and Senator Harkin, who is the leading force for legislation in this area, will have some questions and will bring the hearing to a conclusion.

Thank you.

Senator HARKIN. [Presiding.] Thank you, Mr. Chairman. I know your driver, and he drives fast, so you will be all right.

Thank you very much, Mr. Chairman. Again, I want to begin by expressing my gratitude to you, Mr. Otero, and to Ms. Rosen on your staff, for the fine work that you did in compiling this report over the last year. And Mr. Harvey, thank you again for many years of work that you have done in the area of human rights throughout the globe. I have had a long association with you over the last 20 years, and I have always found you to be on the cutting edge of issues of human rights and concern for workers' rights, and

I can only hope that you will continue your efforts in your present position on this one issue of child labor. I think we are making some progress. I think we can make a lot of progress in the next few years by the turn of this century.

I would just say to my friend from Ireland, Neil Kearney, that I sure like what you had to say better than what Peter Sutherland had to say when I met with him over in Geneva.

Mr. KEARNEY. We have a problem, Senator, in that we cannot choose our fellow countrymen. [Laughter.]

Senator HARKIN. I understand, I understand. But we just keep moving ahead, and I really appreciate what you had to say.

Dr. Bertolaso, you listed a number of actions in your testimony, a number of strategic considerations that you said UNICEF feels are vital to efforts to combat child labor. I have read them all, and they are all very good, but there is one thing that is missing, and I will start with you, but I want to ask some of the other people about it as well.

As Senator Metzenbaum said, "money talks," and we have found in the past that one of the most effective ways to get companies to change their practices is through the selective use of not only information to consumers, but consumer boycotts. I guess it was 14 or 15 years ago that I was involved in an effort on the Nestle boycott, to get them to change their practice of selling infant formula in the Third World. They did change—in fact, they are better today than some of the people in this country—but they changed because there was a boycott on Nestle, and it was very effective, and it was hurting them.

Now, again, before anyone can engage in activities selectively purchasing—I had to say a boycott, but selectively buying what a person wants—they need the information. We need to know those companies and those products that are made with child labor. And then citizens in whatever country can make their own decisions about how they might want to organize to impress upon their fellow countrymen and countrywomen just how they would want to purchase these products.

You did not mention that in your remarks, and again, I am not just saying to you, but to all of you who are sitting here, let us quit dancing around this thing. What we are talking about is money, and we are talking about people using children to increase and to make more profits. Now, there is nothing wrong with profits, but it seems to me when you give too much to capital and not enough to labor, then it cries out for some equalization. And that is what has been happening not only in this country, but around the globe, with breaking down trade barriers. More and more, capital takes more and more of our resources, and labor is taking less and less. As I said, we have to equalize that.

So again, Mr. Otero, I would say to you that we are moving ahead on this project, and your report is very good—it did exactly what we asked, to identify those broad-based industries in those countries wherein we have these problems with child labor. I think now we have to take another step. We now have to start identifying companies. Could the Department of Labor do that? If I ask in my appropriations bill that the Department of Labor now undertake a study to expand this, to not just have the broad industries,

but what companies can be determined that actually make products with child labor?

Mr. OTERO. Senator, if the Department of Labor is given appropriate funding to conduct research on this matter, I am confident that our researchers are capable of doing anything that the Congress orders us to do.

Senator HARKIN. I appreciate that, and I will get you the money, because I think this research has to be done. I think we have to start now to take the next step. I did not want to do that in the beginning. I wanted to get this broader picture out there, to get an idea of what we are talking about and where we are talking about. I think now the next step must be taken, and that is to do the research necessary to start finding companies.

Now, again, how we define that, I think maybe Mr. Bertolaso has some good suggestions—to do away with the most exploitative forms of child labor, cruel or degrading treatment, bonded labor, that type of thing. Perhaps that is where we should focus our first initial research, on those companies that are involved in the most egregious forms of child labor, including bonded child labor, that type of thing, and get that done first. I understand you have to take this step by step.

Do any of you have any thoughts on that? Go ahead, Mr. Harvey.

Mr. HARVEY. Yes, Senator. I think this would be a good place to mention that on Sunday afternoon, the Child Labor Coalition announced the beginning of a consumer education campaign in connection with the Rugmark Foundation, which Kailash Satyarthi very modestly mentioned, but did not indicate he has been the moving force behind its formation for the last 5 or 10 years.

That consumer education campaign will go out to public organizations all over the country to help people understand that the hand-knotted carpets they are buying are for the most part made with children, but also to give them an option, and that is to wait to buy rugs—that if they are in the market for hand-knotted carpets, to wait until they can buy one that has a Rugmark trademark on it, which means that a network of NGOs and professionals in India, and before too long, in Nepal and Pakistan, will have certified that the factories that are making those rugs are not employing children.

We are on the edge of a very important campaign, and we do believe that this can have a signal effect on an industry that is one of the worst exploiters of bonded children in servitude.

Mr. BERTOLASO. Mr. Chairman, our friend Satyarthi clearly pointed out that in this Rugmark initiative in India, UNICEF is very much involved. I think that when we address a problem like this one in countries like India or like Bangladesh, we have to try to find a very positive attitude in order to avoid that children who are leaving a certain kind of work may go into a situation which could be even worse. That is something that was pointed out during the testimony of our friend from Bangladesh when she mentioned this problem.

But where UNICEF is concerned, for instance, we have decided in India not to purchase supplies or equipment from businesses exploiting child labor. So I think that a number of actions have been undertaken.

But I really do believe that international organizations as well as NGOs will not be able to address this problem unless the most important donors will link their kind of aid to the most important field of cooperation.

If we continue to earmark less than 10 percent of the ODA for education and less than 2 percent for primary education, I think we can solve the problem, because we have to give these children an option; if they leave labor, they must go to school. Otherwise they do not have any kind of future.

Senator HARKIN. You are absolutely right; that option must be there, and we have to put more money into primary education in a lot of these countries. I have suggested before, but things take time, that part of trade agreements—and I know we talked about the social clause, and I had good discussions in Geneva earlier this year on that social clause aspect—but it would seem to me that if you take certain parts of the social clause, you might find some that not too many people disagree with. It is when you get to the broader concept of the social clause—workers' rights, where does it begin, where does it end. There are certain things, however, that can be well-defined, and child labor is one of those. It can be well-defined. So I suggest that maybe out of the social clause, we take out a couple of items that are well-defined.

The other one that we might include in trade agreements is this whole concept of funding for education. Since trade is a two-way street, it would seem to me that in trade negotiations and in trade agreements that are made bilaterally, for example, maybe some even multilaterally, that a certain percentage of income generated by these trade agreements—and you know what they are; you know what goods and services are being transmitted back and forth—that a certain percentage be allocated for education in those countries. This is something that I have advocated for some time, and I have not gotten very far on it yet, but I will keep trying. But I think again, trying to find sources of money for education—you know, if you are going to open doors of trade and have expanded trade efforts, and you are going to make more money, some of that ought to go to education. And then you combine that with a prohibition on child labor, and then you have the two sort of synergistically working together.

I just got a note from my staff reminding me also of resource imbalances. I have a chart that I do not have with me, in which I always point out how much—a lot of countries say, "We do not have enough money for this," but you look at how much money they spend on their military compared to how much they spend on their education, and you can see where they are putting their resources and their allocations.

I would ask any of you if you have thoughts or ideas about how we connect trade agreements with funding for education. I think that is most important to put that money there.

The other issue has to do with subcontracting, Mr. Otero, which is another real problem. You go to the company and they say no, they do not use child labor; they subcontract it out, and then there may even be subcontractors of the subcontractor. It is very difficult to get a handle on that. Have you looked at how we can get a better handle on locating these subcontractors at all, you or Ms. Rosen

or whomever did this study, and how we can find these subcontractors out there?

Mr. OTERO. Well, Senator, our research shows that subcontracting is a very complex mechanism that involves in some cases very deviant measures.

For example, we found that in the shoe industry, parts are made in one country and shipped to another for the purpose of avoiding detection when exported to the United States. It is a very serious problem because in many cases—and you heard this morning some of the children testifying to the fact that in Brazil, particularly, after this boy was fired from his job for union activities, he started working in homes where shoes were being assembled for the purpose of being sent to the factory. He was able to work there because he had been placed on a black list, so he could not work in a factory, but now he could work in this informal sector. That, we have found, is enormous in the research that we conducted, and that this is the subcontracting that takes place, sometimes within the same country, sometimes from one country to another. It is a very difficult thing to police, but it is there, and it is perhaps our greatest concern in terms of how we can follow all of these products.

Senator HARKIN. How comfortable are you—and perhaps you also, Mr. Harvey—in terms of relying upon the NGOs in these countries to give us good information—I do not know about Rugmark—but how much can we rely upon these NGOs to give us the good, valid information we need on abuses of child labor?

Mr. OTERO. Well, Mr. Chairman, we have found that there are a lot of NGOs that are doing extraordinarily good work, and in fact, a lot of the sources of the information contained in our report came from studies that had been made prior to our particular study by these NGOs, but we went in a broader context than that; we contacted a number of other people who had access to information, such as trade unions, journalists; we went to labor unions, to governmental agencies, including businesses. So that our report is not a policy report, Mr. Chairman, but is a report that contains facts about the use of child labor in these particular 19 countries in which we focused our study on the basis of the mandate you gave us.

Senator HARKIN. I understand.

Mr. Harvey?

Mr. HARVEY. We find working with NGOs in most of the countries of the world to be the most effective way of getting good, accurate information. I would say, however, that NGOs, like any other group of human beings, are subject to corruption in some places, and in many countries, the majority of the NGOs are very dependent on government funding for their very existence and are subject, then, to government pressures to be in opposition, for example, to the Harkin bill.

I think we can have better cooperation with those very same NGOs if they understand clearly that the purposes of the Harkin bill and other measures are in fact to provide a better life for children rather than to provide better wages and jobs for American workers. There is great fear out there, and we must do everything

we can to alleviate that fear by a broad-based approach to this issue.

Senator HARKIN. I liked what you said about the general system of preferences. I do not think we have used that tool enough, either in Indonesia or in other places, and I think we have to really start looking at that. Again, I think if the taxpayers and the people of this country understood what we were doing with the general system of preferences and providing preferential treatment for goods made with child labor and imported from other countries, I doubt that they would be very much in favor of it.

I am sorry I missed the second panel. I had to leave. As you know, there is an immense crisis in Haiti right now, speaking of human rights violations, and hopefully, that is going to work out all right. But again, there is child labor in Haiti, too. We found that over the last few years, what has happened is that companies have gone to Haiti to employ children making products in that country for export to the United States.

Mr. HARVEY. Since we have a high responsibility now for how Haiti shapes its future—whether we sought that or not, we now have it—I hope that the Senate will be very carefully watchdogging how the rebuilding of the Haiti economy takes place so that some of the measures that President Aristide was trying to put in place, which were evoking considerable wrath among American producers and importers of goods produced in Haiti, such as protection of labor rights and lowering the level of child labor in export industries, I hope that the Senate will watch that process carefully now so that some of those practices do not get reinstated or improved as a part of keeping U.S. favors for the new Aristide government.

Senator HARKIN. I appreciate that.

Mr. Otero, would you please take back to Secretary Reich, again, my gratitude and thanks for the report, and we are going to move ahead on some others. But also, I wanted to follow up on something Senator Metzenbaum said. I was—I will not say I was shocked, but I was disturbed by the testimony of the young man who was here earlier this morning, Alfonso, the garment worker from Los Angeles, CA—again, happening right here in our own country, with subminimum wage, no kind of health care or anything like that. And what disturbed me was when he said that when the employer knew that an inspection was coming, he would tell them not to come to work. They would get rid of them until after the inspection and then bring them back.

Would you please tell Secretary Reich that I would like to talk to the people at the head of the Wage and Hour Division?

Mr. OTERO. Yes, I will.

Senator HARKIN. I will find out who they are, and I would like to have them up in my office and talk to them about this. Since I am on the labor committee, and I also chair the appropriations subcommittee, I would like to see if we cannot change this process where they somehow get a heads-up that the inspectors are coming around. If anything, those inspections ought to be unannounced.

Mr. OTERO. You should know, Senator, that right now, at the present time, Secretary Reich has a major effort in the garment industry to try to expand the degree of investigation of all these various practices, and I would offer to provide that information to you for the record.

Senator HARKIN. I would appreciate it. I know that is not in your area, and that is why I asked you to take it back to the Department and ask them to be in touch, and I will be in touch with them, too. But I am glad to hear you say that, and knowing Secretary Reich, I would expect nothing less of him. He is a great guy, and he is doing a great job.

Mr. KEARNEY. Senator, could I just say that the problem highlighted here this morning in the United States, and indeed, all the comments that we have heard have mainly related to one major industrial sector—the textile, clothing, shoe and leather sector. And the problem has grown dramatically as globalization of that industry has occurred.

Our observations internationally are this—that the reason for the problem does not lie so much in the developing countries; it lies in the industrialized world, with those former manufacturers, the importers, and the retailers, who have gone around the world, searching out the very cheapest sources of production; the major American corporations and European corporations which have ceased to be manufacturers and are now just designers and merchandisers, and they play off one country against another.

The real culprits, those who are guilty of the exploitation that we have heard about and the sheer brutality that we have heard about, are corporations, importers, retailers here in the United States and in Europe.

Today we have a situation where 130 countries are producing textiles, apparel, shoe and leather items for export into the markets of only 30 countries in the world. And the real tragedy of the situation is that the vast majority of those who are producing in this sector of industry cannot afford to buy the products that they themselves produce.

The intense competition that has been created is the major contributory factor to the growth of child labor. And child labor, incidentally, does not exist in isolation. One of the features of child labor is that it is greatest in those countries which do not have freedom of association. Where there is no effective trading structure, you will find child labor. And that is why it is vitally important that we get and secure that link between trade and worker rights. And one of the major components of the social clause would be the application of freedom of association and the right to bargain collectively.

Indeed, there are many people in developing countries who say, "Give us the freedom to organize, and then we will begin to solve all those other problems that we are talking about." That is why it is vitally important that the United States continue in pursuing that attempt to secure the link between trade and worker rights.

Senator HARKIN. I appreciate your saying that, and I hope we continue to pursue it also. I have spoken to Secretary Reich and others in this administration, and they are pursuing it; they will not let up on inclusion of social clauses in trade agreements.

Mr. KEARNEY. Thank you.

Senator HARKIN. And you are right about industries and so on in this country, although I have talked to two who I think are taking extraordinary steps to ensure that their products are not made by child labor. And somehow, we have got to use these companies as good examples. GAP is one. I met with the CEO of GAP in California, and they have gone out of their way to try to ensure that none of their clothing is made by child labor. They were once accused of doing it, and they examined it and found out that there was another manufacturer making clothing under that same name, but it was not theirs. I think Levi also has gone out of its way to ensure that its clothing is not made with child labor. And as far as I know, I think they are making pretty good money.

Mr. KEARNEY. Although I think it is important to State that while some of these major corporations that have established codes of conduct on production and sourcing then impose impossible prices on their contractors and subcontractors, which in turn forces those contractors and subcontractors to seek ways of producing within that price margin, and that is often what creates the pressure that results in child labor.

Senator HARKIN. Well, I think there is a market in this country for goods that are advertised as not made with child labor. I think there is a market in this country for that, and I think there probably is in your country, as well as in Europe and in the rest of the industrialized world. I think there are markets there for those products.

Thank you all. You have been very kind and very patient. Again, I appreciate all of the hard work that all of you have put into this effort, and look forward to working with you in the months and years to come.

The subcommittee will stand adjourned until the call of the chair.

[The appendix follows:]

APPENDIX

PREPARED STATEMENT OF ROBERTO CARLOS GUIMARAES

First of all I would like to convey my greetings to this distinguished assembly and express my satisfaction at this opportunity to reveal some of the realities faced by Brazilian workers, especially the young workers of the Brazilian far South.

My name is Roberto Carlos Guimaraes. I was born on September 30, 1976. I am now 17 years old and have been working in the shoe manufacturing industry since before I reached the age of 12.

I live in the town of Igrejinha, in the State of Rio Grande do Sul, Brazil. Igrejinha is located at approximately 100 kilometers from the State capital city of Porto Alegre. It is important to note that Igrejinha is situated at the core of the main shoe manufacturing conglomerate, a cluster of industrial towns known as the "Vale do Rio dos Sinos" or, in English, "Bell River Valley." This region consists of 26 small towns with a population of more than 1.7 million and has, for many years, been specializing in the production of footwear merchandise.

I would also like to state that I am the youngest of a family of 11 children. My parents were farmers in the provincial town of Sao Jorge do Oeste (St. George West), in the State of Parana, Brazil, where I was born. They were forced to leave that town and start a new life in Igrejinha due to a succession of bad crops and lack of employment opportunities for their children in that locality. Thus, the family moved to Igrejinha in search of jobs in the shoe manufacturing industry. Presently I and my 10 brothers work in shoe factories. My father is retired, and my mother is a housewife who occupies herself with domestic shores and takes care of her grandchildren.

I started working in a factory before I reached the age of 12 due to a necessity to help with the family expenses. In a Brazilian family of laborers, boys become aware at an early age that by 12 they are expected to seek employment to help support their families. Girls 8 years of age are supposed to take care of younger siblings and help with house chores like cooking, laundry and house cleaning so their mothers can work in the factories. By age 14 they, too, head for the factories looking for employment.

THE SHOE MANUFACTURING INDUSTRY IN THE BELL RIVER VALLEY

Before I tell you about my experience as a shoe factory worker I would like to provide general information on the shoe industry in Brazil, particularly in the Bell River Valley. My trade union brothers of the Democratic Federation of Shoe Factory Workers of Rio Grande do Sul, and the FASE (Federation of Social and Education Assistance Institutions), an NGO—non-governmental development organization which helps organize workers—helped me prepare this report.

Brazil manufactures approximately 500 million pairs of shoes per year, of which 330 million are sold in the domestic market and 170 million are exported. The State of Rio Grande do Sul is the manufacturer of 35% of the Brazilian footwear production, about 175 million pairs of shoes per year. However, 80% of the shoes manufactured in the State of Rio Grande do Sul are exported, most of them to the United States.

The shoe industry complex, formed mainly by the shoe, leather tanning and finishing, rubber and chemical industries, and manufacturers of shoe-making and leather processing equipment of the Bell River Valley generated approximately 180,000 jobs in 1993. In 1994 the shoe industry has been experiencing a grave crisis caused by reductions in exports and a decrease in consumption in the domestic market. The reductions in exports are the result of competition with Chinese shoe manufacturers combined with a decrease in sales of shoes in the United States. Domestic consumers are buying less due to a reduction of their acquisitive power caused by inflation and salary cuts. This crisis has already brought as a consequence the closings of dozens of factories and loss of jobs for over 35,000 workers of this sector.

The Brazilian shoe industry is very diversified. There are large and medium size plants that use modern equipment and advanced technology, but for the most part the industry is made of small, medium and large size outfits that function with old installations and outdated equipment. Still, according to records from the shoe industry's business associations, between 20% and 30% of the work is done in small cobbler shops or in the workers' own homes. These shop-based or homebound workers do not enjoy the same social benefits provided to workers of the industrial or commercial establishment by Brazilian labor law. It is in these shops that most of the exploitation of child labor takes place.

Salaries paid to workers of the footwear industry are very low. Skilled workers of this sector earn, in U.S. dollars figures, between $0.80 and $1.00 per hour. Their monthly income varies between $175 and $220. Unskilled workers, who constitute a majority within the factory (60%), earn hourly wages between $0.35—a beginners' salary—and $0.57—if they are lucky enough to work for more than 6 months in the same factory. The monthly salaries of these workers varies between $75 and $125. To get this amount, people usually have to work overtime. When companies have an important order to fill they force employees to work overtime. If they refuse, they get fired.

It is important to note that 30 to 35% of the workers employed by the shoe manufacturing industry are under 18. In establishments with a high percentage of exports this figure can go as high as 45%. From these 45%, approximately 18% are under the age of 14. Eighty percent of the unskilled workers are under 18 years of age, earning half or less the salaries of their adult counterparts. The majority of these minors are girls who perform leather-sowing and leather-polishing tasks, as well as assemblage of footwear pieces, in places where, like their young male colleagues, they come in contact with a variety of chemical substances found in solvents and glue.

The chemical products utilized in the shoe factories contain a variety of toxic substances which constitute serious health hazards to workers constantly exposed to them. The most common effects of this exposure are skin rashes, stomach ulcers, vision impairment, decrease in blood T-cell count, and disturbances of the central nervous system. Workers are not informed of such hazards by their employers, and very few of these factories provide them with appropriate protecting equipment, masks, etc. There are neither official statistical records of how many shoe industry workers have been victimized by the effects of chemical exposure, nor public health programs to deal with them. The word from public health authorities is that such

programs would be too costly and no funds are available to carry out this kind of undertaking.

Turnover in the work force employed in the shoe factories is very high, nearing the 100% per year, specially among unskilled workers. It is very common for a worker to change jobs three to four times a year. The main reason behind such turnover has to do mostly with repression and an authoritarian rule within the factory, where any kind of complaint on the part of an employee is met with instant dismissal. Many of these companies hire labor teams for short periods of time, after which they are let go. In case of younger workers, they change jobs more frequently in search of better conditions and/or salaries elsewhere. Last, frequent plant closings are also a cause of such turnover in the labor forces.

MY OWN EXPERIENCE AS A SHOE FACTORY WORKER

As I mentioned before, I started my career in the shoe manufacturing industry when I was 11 years of age, at the Haidrich Footwear Shop, without Social Security or employment records, since the law prohibits children under 12 from performing salaried work. On October 1, 1988 I was appropriately registered, and worked for the above outfit until May 31, 1990. Six of the 12 workers employed in this small shop were my age and illegally unemployed. I worked five hours a day during the afternoon, and in the morning attended school. Later I quit my job at Haidrich because I wanted to work for a larger establishment hoping to earn a better salary and attain some progress in my profession. By this time Brazil had changed its law to prohibit employment of young people under 14 without parents' authorization. But many factories, such as Calcados Morgana, where I worked from February 25, 1991 to March 31, 1992, ignored this rule. I personally knew 6 young Morgana employees who were under 14 years of age.

After I quit my job at Haidrich I worked in several shoe factories where working conditions were less than satisfactory. In these plants workers toiled incessantly 10 hours a day under tremendous pressure to meet productivity requirements and were frequently punished for the slightest mishap. Use of the rest room was restricted to one time per shift, for no more than five minutes at a time.

Life is very hard when you have to do both, work at the factory and attend school. I used to work 44 hours a week; I would get up at 6:30 in the morning and would be finished with my work at the factory by 6 p.m. Classes in the evening would start at 7 p.m. and last until 10:30 p.m., which means that if you work at the factory and attend school you have practically no time to sleep. And shoe factories do not have 6-hour daily shifts. Yet, what can you do if you are poor? The wages earned by our parents working in the factories are barely enough to provide food for the family. The union-sponsored Department of Socio-Economic Studies tells us that a family of 4 needs an income of $700 per month to live decently. Yet, as I explained above, a shoe factory worker with 15 or 20 years in the profession earns less than $200 a month. And if we dare to ask the boss for a salary raise, the response will be that raises are out of the question, for they would drive prices of Brazilian shoes up and exports would decrease and ultimately disappear—and so would our jobs.

Employers do not care whether you attend school or not; as a matter of fact, they prefer that you don't because tired employees are less productive. And in the small town where I live there are few night schools, and they are so crowded that you are lucky if you manage to obtain admission.

Health hazards in the factory are many, but workers are not sure whether to blame the factory or poor diet for their health problems. Besides intoxication resulting from exposure to chemical pollutants, they must go about their daily tasks in poorly ventilated workplaces where overall sanitary conditions, specially in the rest rooms, are far below acceptable standards. In 1989 I became ill with a pulmonary infection that kept me out of work for 15 days. The medical diagnosis on record shows that this malady was the result of excessive exposure to chemical compounds found in glues and solvents used in the factory. To this day I still experience respiratory problems when exposed for many hours to these products. Other fellow workers have experienced and reported other kinds of problems resulting from such exposure.

Many such factories do not allow workers a few minutes for a quick meal; some pay their salaries many days in arrears; and every one of them make excessive productivity demands, forcing their employees to work at a fast pace the entire shift and if necessary, through extra hours.

Another critical problem in the factory is harassment. Workers have very few freedoms and hardly any right to protest against injustice or any kind of wrongdoing. Such pressure extends well into union domain. Many workers are afraid to speak to a trade union representative on the factory grounds and fear joining a

union, for when hard times befall the company the first ones to go are workers with a reputation for standing up for their rights—the unionized workers. There are factories that arbitrarily dismiss union leaders or resort to bribes, keeping them off the factory and yet maintaining them in the payroll, thus buying their silence and stopping their activities toward the solution of these problems.

During the period from September 17, 1992 to October 1, 1993 I worked at the Zeket Shoe Factory, and this was the last time I was regularly employed—i.e., with working documentation being processed regularly by the employer, within the appropriate time periods as prescribed by law. I was fired from my job at Zeket because I participated in a strike, campaigning for better salaries and a proper union contract. From this time onward I could no longer obtain adequate (officially recorded) employment in above major factories. Instead I went from cobbler shop to cobbler shop working for undetermined periods of time as an undocumented worker employee. Since I was on the shoe industry's blacklist I couldn't do any better. It must be noted that the existence of these lists is a fact. My own brother, who went to see his supervisor at the factory where he works, in an attempt to help me obtain employment, was told by this person that he was powerless to do anything since my name was "on the list." This situation persists to this day. It is as though the entire shoe industry has closed its doors forever.

Shortly before I left Brazil on this trip I was told by fellow members of the Shoe and Garment Industry Workers of Igrejinha (STVI) that during a recent discussion between one of our union officers and a shoe factory manager the subject of "black lists" was brought up. Unbeknownst to the manager the conversation was recorded. The union leadership is in possession of the tape and we were told that they intend to take up this matter, as well as other violations of the law, with the Brazilian judicial system.

I am enclosing a few documents and newspaper clippings of articles dealing with child labor and other problems of the manufacturing sector.

I thank you again for this valuable opportunity to present the above facts and express my feelings, and hope that this statement will not only help bring a solution to the problems faced by the workers of Brazil, but will somehow, be put to good use by the American working class as well.

Thank you very much.

Prepared Statement of Nazma Akther

My name is Nazma Akther. I would like to thank the Subcommittee on Labor, and particularly Senator Metzenbaum, for giving me the opportunity to be here today on behalf of my brothers and sisters working in the garment factories of Bangladesh. I hope my testimony today will be helpful to you, and that we can all learn more about the problem of child labor from these hearings. We need to work together to prevent millions of new children from being added to the swelling ranks of illiterate, unskilled workers who have no future because they were forced to begin working before they had a chance to obtain an education.

I'm here today to tell you about the child labor situation in Dhaka, with a particular emphasis on the prospects for constructive solutions. I can say at the outset, without hesitation, that there has been progress; and this progress can be exclusively attributed to the introduction of the Harkin/Brown bill that would prohibit products made with child labor from being exported to the United States. Roughly 60% of the garments manufactured in Bangladesh are exported to the U.S., and the possibility of losing this large market had finally got the attention of the factory owners and the government.

I'm 19 years old and I started working in a garment factory in Dhaka, Bangladesh when I was 11 years old. My first job was as a "helper" at Shams Garment Factory where I supplied the sewing machine operators with materials and transported finished products to the finishing room. My salary was 300 Taka per month, less than $8.00 $1 US=39.7 Taka, for working on average 70 hours or more per week. I was luckier than most of the other children working with me because I was able to complete five years of school before becoming a full-time worker. Going to work seemed like the normal thing for me to do. It was common for children to work, particularly females, and since my mother worked in a garment factory, it seemed an appropriate place for me. The main reason for working at the factory was that I come from a poor family, and as the eldest of 5 children, I was the one who went to work.

Back in 1986 when I started my first job in a garment factory, there were many children employed in the industry, which was just beginning to experience rapid expansion and growth. My own conservative estimate is that at least 30% of the workers were under the age of 14. Most of them were like me: female, from poor families and working to help support their families. It was very easy for me and the other

child workers to get jobs in garment factories. No one cared about our age as long as we could do the work. Children were considered desirable employees because they followed orders, were too timid to complain, were unlikely to assert their rights or try to form trade unions and they wouldn't get pregnant. Children could also be easily intimidated with physical punishment for making mistakes. I was personally beaten when I made mistakes or when I was late for work.

After I worked for about nine months as a helper, I got a job as a sewing machine operator at Laurence Garments. I was paid 600 Taka per month (approx. $15) and again worked at least 70 hours per week. I was then 12 years old. Following this job, I worked at three other garment factories: Flint Garments, Comtrade Garments and World Fashions. In each of these factories, child labor was common. It was not until I started working for the Asian-American Free Labor Institute in July 1993 that I learned that Bangladesh has had a law for over 30 years prohibiting the employment of children under the age of 14 yrs. (Section 66 of the Factories Act). This highlights one of the real problems for workers in Bangladesh. Most of them are illiterate or barely literate and don't know what the laws are or what their rights are. Obviously, the law prohibiting child labor meant nothing. It wasn't enforced, no one ever seemed concerned with my age, even though I had worked in 3 different factories by the time I was 14 years old. Buyers from the U.S. and Europe came to the factories where I worked to inspect the production process and they never seemed bothered by the presence of child workers.

In late 1992, the situation suddenly changed. When the buyers came, the very young looking children were rushed to the toilets or taken to the roof to hide until the buyers left. The factory managers instructed those of us who looked young to say we were 15 years old if anyone asked our age. I learned later that something called the Harkin Bill had been introduced in the U.S. Congress and the buyers from the U.S. were expressing concern that they might not be able to export the garments made in Bangladesh into the U.S. if children were involved in the manufacturing. I feel certain that the introduction of the Harkin Bill was the exclusive reason why there is now a strong movement in Bangladesh to solve the child labor problem. Until the Harkin Bill was introduced, there was little concern about whether children were working. Now there is hope. I have attached to my written testimony copies of newspaper articles from Bangladesh showing much attention and interest has been generated by the Harkin Bill's threat to cut off the U.S. market to garments made with child labor.

My present position is as a researcher and educator for AAFLI. Prior to this, I had become an activist to improve my working conditions. Child labor is just one of the problems facing the workers in the garment industry. Most of the factories force the workers to work 70 or more hours a week, even though the laws of Bangladesh set the maximum at 48 hrs./week. Overtime wages are seldom paid, basic facilities like clean toilets, safe drinking water and adequate ventilation are not provided. Another major problem is that the workers are not given appointment letters, which means they do not have the legal status of employees and can be summarily terminated. Because of these problems, I became an activist and was one of the leaders, at the age of 16 years, of an organized protest against the management of Comtrade Garments. We organized a demonstration and hunger strike to try to force the owners to pay the minimum wages and provide the basic facilities required by law. Our demonstration was broken up by the police, who used tear gas, and I was severely beaten by "goons" hired by the owners, called "mastans" in Bangladesh. Ultimately, the owners of Comtrade closed the factory temporarily and then reopened by hiring new workers. All of the participants in our protest were denied employment. After this experience, I decided to dedicate my life to making conditions better for the workers in the garment industry. My dream is to help form a trade union of women workers in the garment industry that can help to make conditions better for workers and ensure that the basic laws are enforced. Presently, there are no legitimate trade unions in the garment sector, although I have been working with a large group that is very close to applying for registration as trade union under the laws of Bangladesh.

One of my major responsibilities working for AAFLI has been to research the child labor situation in the garment industry. Because the owners are now afraid to have their use of child labor exposed, it is very difficult to gather this information. I had to go to factories and get hired as a sewing machine operator to get inside. I would then work for 3 or 4 days and observe the number of child workers and also gather information on other problems the workers were having. I visited over 40 factories from January 1994 to May 1994 doing this research. There is no question that the number of child workers has been reduced due to the fear of passage of the Harkin Bill. Most of the major factories that receive frequent visits from

the buyers are virtually free from children. There are still high concentrations of children in smaller factories that are subcontractors for the larger factories.

I don't think that the fact that the number of child workers has been reduced is itself positive. Many of the former child workers in the garment sector have simply moved to the informal sector and are often doing more hazardous work, such as working in small machine shops or doing labor for construction. What has been lacking is a concentrated effort to provide positive alternatives for the children, such as education programs. The children started working because they had no better options. So, simply closing off the garment sector as an option for the children does not change the basic situation. If there were decent schools, they would attend.

There have been some recent positive steps taken to create school programs specifically targeting the child workers in the garment sector. The new U.S. Ambassador, David N. Merrill,has been very visible and active in encouraging the garment owners to contribute toward the education of the children that helped to build the garment industry. The Bangladesh Garment Manufacturers' and Exporters' Association (BGMEA) has recently announced plans to start several schools in conjunction with local and international NGO's working in Bangladesh, including UNICEF, AAFLI, GSS and UCEP. These plans have yet to be implemented, but many of us in Bangladesh are cautiously optimistic that some programs will be started. This issue highlights one of the problems with the Harkin Bill, however. It has a very effective mechanism for prohibiting child labor, but it does not require that the former child workers who are terminated are necessarily placed in a better situation. Thus, a person employing hundreds of children in a garment factory can comply with the law by simply terminating all of the children.

Something more positive is needed to provide an incentive for local governments and employers to place the former child worker in education programs to give them a chance for a future. I'm not familiar with the intricacies of international trade or the financial resources of the U.S. Government, but it seems to me that industries that take the extra step and contribute to the creation of education programs could be rewarded with some tariff benefit as an incentive and that specific funds could be allocated to assist with the start up costs for education programs.

I encourage you to spend less time debating whether there is child labor in countries like Bangladesh and focus more on how to solve the problem. Many in Bangladesh are just wringing their hands and saying that child labor is the necessary result of being a poor country. Some of the garment factory owners have gone so far as to proclaim that they have been doing a service to the country by employing the poor children to keep them off the street and out of more dangerous jobs. I can tell you based on my life experiences that they have the equation exactly wrong. Poverty does not cause child labor; child labor causes poverty. Many of the children who were deprived of an education and of the chance to experience being a child will grow up to be poor, illiterate, unskilled adults who will no doubt have children of their own who will need to be sent off to work to supplement a family income that will always be low as long as no one ensures the family gets the chance to break out of the cycle of poverty.

Investing now in good schools for the poor will keep the children out of the factories. It will also help to create a new generation of Bangladesh workers who have an education and can learn technical skills that will give them a future and will help the Bangladesh economy to move beyond offering only masses of cheap labor. The politicians and garment factory owners in Bangladesh who say that the country is too poor to put the working children in school certainly do not need to worry about their own children (who are in good private schools or are attending higher education programs subsidized by the government). It is a question of priorities, and so far, the working poor have not been viewed as a priority.

In some of the news clippings I have provided with my written testimony, prominent government officials, including Nazrul Huda, the Minister of Information, are quoted as saying the Harkin Bill is against the national interest of Bangladesh because the children working in the garment sector need the jobs. I can tell you that Minister Huda does not speak for me or the other workers in the garment industry. Perhaps it is in the interest of some in Bangladesh to have a large mass of uneducated workers to perform unskilled labor at very low wages. I think we, the workers, are perfectly capable of speaking for ourselves. I may not have the wealth, power or education of Minister Huda, but I'm doing the best I can with what I have and I know that I have the capacity to speak for myself.

You have given me this chance to speak and I want to make clear that the working poor want the same things as other people. We would like to be able to send our children to good schools and given them a future. These dreams should not be reserved for the elite only. We are humans, we have feelings, and no one should have the power to assume that we are expendable and can just be counted as people

whose lives do not matter except insofar as we can produce garments for low wages. I know that I can learn as much as anyone and I know there are many others like me who are now counting on me to get their message to you.

Our message is this:

1. Child labor was ignored until the Harkin Bill was introduced even though child labor has been illegal under Bangladesh law for over 30 years. You must pass the Harkin Bill since it is the only hope we have for effective enforcement of the existing protective child labor laws. Moral arguments and appeals to compassion have not made a difference. Linking child labor to economic penalties has finally got the attention of the factory owners and garment buyers.

2. Without some strong incentives for the factory owners and the government of Bangladesh to provide educational programs for the child workers who will be terminated, the likely result of the Harkin Bill will be that many of the children will simply be put out of work. Whether there is some way to reward industries for contributing to schools or to assist financially in creating the schools is something I don't know. But, I urge you to consider the urgency of this dimension of the problem. Along with this, please make sure to provide some reasonable period following passage of the law to ensure that the educational programs are in place before the children must be terminated under the law.

3. Allow for older children (ages 13 and 14) to work part-time if they are in an educational program. This is consistent with ILO Convention 138 and will do much towards making it easier for these children to be able to afford to get an education.

4. Don't ignore the other issues of worker's rights. Child labor is a visible problem, but one of the reasons it has gone unchecked in the garment industry is that there are no effective trade unions to fight for enforcement of the laws. Also, because conditions in the garment sector are so poor for workers, these jobs are the kind that children are channeled into. If the current basic laws concerning wages, hours and conditions of work were observed, then adults would want the jobs and would be able to support their families without sending their children off to work. There are plenty of unemployed adults who would welcome the chance to work in the garment industry.

I hope that my testimony has been helpful. I would now welcome the chance to answer any questions you may have. Thank you for the chance to bring the message of the garment workers of Bangladesh to you.

[Additional material may be found in committee files.]

Prepared Statement of Pharis J. Harvey

International Child Labor Exploitation: Causes and Solutions

Mr. Chairman, Members of the Committee: It is an honor to participate in this hearing about global problems of child labor. My name is Pharis Harvey. I am the executive director of the International Labor Rights Education and Research Fund, and in that capacity serve as a co-chair of the Child Labor Coalition. The International Labor Rights Fund was founded in 1986 by human rights, religious, labor and other organizations and individuals who had developed and supported legislation to make trade concessions in the U.S. market contingent on respect for the rights of workers. Under the leadership of former Labor Secretary Ray Marshall, ILRERF has become an important voice in the U.S. in defense of the hums rights of workers around the world, and of labor rights conditionality in trade law and negotiations. In 1989, ILRERF joined with the National Consumers League and the Youth Training Project of the AFL-CIO to found the Child Labor Coalition, which now includes some 38 organizations committed to the prevention and elimination of exploitation of children and youth in the workplace, both in the U.S. and around the world. In my remarks today, I speak for the ILRERF, and as one member of the Child Labor Coalition.

Before proceeding further, I would like to commend the chair, Sen. Metzenbaum, not only for holding this hearing but for a lifetime of passion and compassion for the victims of economic and social forces, whether in this country or anywhere in the world. Yours has been a voice that has cried in the Senatorial wilderness for decades, calling your colleagues to mercy and justice. Since I may not have another opportunity to speak before you in your capacity as chair of this committee, I do not want to lose this chance to pay you my highest respect and to say that your voice will be sorely missed in Congress after this session.

This hearing is extremely timely, for reasons that have recently been given dramatic exposure in two ways. The first is the release Monday this week of the Department of Labor Study which details how millions of small children are involved in producing or processing hundreds of items that are imported and sold in the

United States from countries all over Asia, Latin America and Africa. It was our privilege to have contributed to this study by a summary country report on India, where the best estimate is that some 55 million children are toiling under intensely exploitative conditions. The Department of Labor has produced a careful but chilling document of the extent of child servitude within the trading system of the world.

The second reason is the just-ended United Nations World Conference on Population and Development in Cairo, Egypt. That Conference reached a genuinely new consensus on population problems, concluding with a historic call to the nations of the world for measures to advance the status of women and families as the most important means to reduce explosive population growth. This is based on the recognition, now almost universal, that where the status of women and children is respected and protected and where education is fostered, population growth slows to levels that are sustainable and that allow for genuine development to take place.

It is no coincidence that the areas of the world where child labor is the most rampant are also those countries or regions of countries where population growth is highest and the status of women is the lowest. There is a very high correlation between areas of the world with low female status, high population growth and abusive child labor problems.

If we are to focus seriously on programs and policies that will be effective in eradicating child labor, it is important to understand these links and to take up measures that deal with the full scope of inter-related problems.

It is also important to understand the cause-effect relationship correctly. Child labor has frequently been described as an unfortunate but unavoidable by-product of general poverty. Clearly one of the factors in its persistence in India is the culture of grinding poverty of millions of the poor whose lives constitute a cycle of hopelessness. Parents with no security except the hope that children will care for them in old age have large families. "More hands equals more income" is an age-old myth widely believed among the world's poor. And this myth is responsible for the kind of population growth that perpetuates a child labor supply.

But I would submit that this is a fundamentally backward way of seeing the problem. Rather than being a by-product of poverty, child labor is a generator of poverty, and until it is curbed and ended, the desperately poor in the countries with endemic child labor will continue to proliferate, as will the numbers of children in servitude. Each generation of poverty-stricken, illiterate child laborers becomes the next generation of sickly, poverty-stricken and illiterate adults who regenerate their family's poverty by producing large numbers of children in the vain hope of escape, and infinitum.

Equally vain are anti-child labor policies that begin from the premise, frequently heard, that of course child labor can't be eliminated until poverty is eliminated. This fundamentally reverses cause and effect and provides an excuse, sought or not, for continuing to tolerate child labor generation after generation. Ending child labor servitude is a way out of poverty, rather than a side benefit of poverty-alleviation measures.

That leads to my second point. Far more important than the fact of endemic poverty is the political and social tolerance for it which is responsible for policies that perpetuate it. At the social level, this tolerance is exhibited primarily in attitudes toward minorities, so-called backward castes, and women. At the policy level, it leads to redirection of resources away from certain populations and from basic broad-based development programs into programs that benefit an already-privileged elite. It also prevents the generation of political will to enforce child labor prohibitions and compulsory education laws where they exist and to enact them where they don't.

To draw examples from India again, it is not accidental that some 80% of India's children in servitude are the children of so-called "Dalits", oppressed low-caste and minority tribal people.[1] Prejudicial attitudes affect both employers, such as carpet loom owners, who tend to see the children of "Dalits" as less than human and expendable, and of administrators who ignore with impunity the needs of these oppressed castes and tribes, frequently redirecting development assistance away from these populations toward others. Our study in India, for example, found that poor farmers in the Sivakasi area of Tamil Nadu state, where the country's match and fireworks industry thrives on a dry climate and a plentiful supply of child laborers, are deliberately deprived of irrigation assistance by local politicians in conjunction with the owners of the match industry, in order to sustain the supply of child labor. Similarly, in regions of the Northeast near the carpet belt, development assistance

[1] Cf. Harvey and Riggin, Trading Away the Future: Child Labor in India's Export Industries, pp. 12-15. Tables from this work appended to this testimony.

is denied areas of mostly low-caste peoples, who are then forced to send their children into the nearby districts to work at the carpet looms.

This is not a problem peculiar to India. Guatemala's child laborers are without exception the indigenous people who have been objects of prejudice for five hundred years. Brazil's child laborers tend to be the dark-skinned descendants of slaves or the children of indigenous people with no political clout. In the United States, migrants have provided the most exploited child laborers for similar reasons.

Further, the problem of caste or ethnic prejudice is exacerbated by attitudes toward girl children which consider them as burdensome liabilities rather than assets for a family's future. Where dowry customs prevail, as in much of South Asia, girls and women continue to have little value and are easily sent off into exploitative labor situations rather than being trained for a future of dignity. This adds a further reason for large families, in the hope of having enough boys to care for parents and to earn dowries for girls. This picture, of a family of seven Muslim sisters in Nagpur whom I met on my recent visit there, aged 6 to 16, all of whom roll incense sticks twelve or more hours a day for a collective wage of $1.61, illustrates the tragic dilemma. The oldest girl, now sixteen, completed five years of schooling before leaving to help her family because an education for her would make her unmarriable as it would make it harder to find a husband with more education, which is believed necessary. The tragety is that with slightly more education she would have been able to earn more than all her sisters and mother combined. But custom and prejudice prevent her from assuming this role.

A further by-product of this neglect and prejudice is the maldistribution of educational resources, resulting in a lack of basic education for large numbers of children. In India the picture is clear. Where a state requires education for all children, as in Kerala state, child labor is if not absent, at least sharply diminished, despite the fact that the level of poverty in Kerala is about the same as for most parts of India. However, in most other states of India and at the national level, basic education gets short shrift. India has no national requirement of compulsory education. In much of the country through which I travelled in my research, village schools were missing, or if the buildings were there, the teachers weren't. But in the urban centers, India has some of the finest technological and scientific centers in Asia. Export of nuclear technology, for example, is a key foreign exchange earner, as is export of computer software. But in the villages of much of the country, the most rudimentary facilities for educating children are missing.

Interacting with these causative factors is official neglect and worse. "Sheer callousness, almost bordering on sadism, on the part of enforcement officials is the main reason for the exacerbation of the sufferings of child labor", according to India's most prestigious social research institute.[2]

Lack of enforcement of laws prohibiting and/or regulating child labor is due to many causes in addition to callousness. In many countries, laws regulating child labor are vague and riddled with loopholes. Labor inspectors are poorly trained, poorly paid, and too few. These conditions lead to rampant corruption, which is noted in the Department of Labor study to afflict almost all of the countries with serious child labor problems.

Finally, in recent years, a new and troubling reason for child labor's growth is found in macro-economic policies that foster growth in export-oriented industries. In India, for example, the numbers of children toiling in the carpet industry rapidly increased in the period immediately after 1975, when Iran barred child labor from its carpet industry and India's prime minister established policies, including training children as weavers, to take up the market share Iran was vacating. In the past decade the growth of children working has tracked closely the growth in exports. Child labor in the diamond industry is also said to have grown as, in recent years, India's diamond cutters have developed a rapidly expanding market in the west for smaller diamonds from Siberia that were previously considered too small for decorative use but are marketed in the U.S. largely through direct television sales.

Perpetuation of or growth in child labor in many countries is directly tied to the export imperative. In Sri Lanka and India children pluck tea, in Guatemala, Mexico and Brazil coffee, in Egypt jasmine blossoms, in the Philippines and Central America, bananas. Virtually all these products are exported. In Colombia, the export cut-flower industry is a major employer of underaged workers. In Bangladesh, an export-oriented garment industry sprang up in the mid-1980s to compete globally by employment of large numbers of children at dirt-cheap wages. In Egypt, Turkey, and Morocco, as well as in Nepal, the largest child labor populations are in the export carpet industry. In many parts of the world, children are a sizable labor force in plantation agriculture and fish processing plants. The integration of the world's

[2] Operations Research Group Baroda, 1993, as summarized by National Labor Institute, p. 3.

poor areas into production for the global markets has brought about what appears to be a rapid increase in the exploitation of children which, while relying for its acceptance on the factors named above, adds yet one more reason for delaying and tolerating the abuse of children in the workplace.

Any programs or policies to eliminate child labor must cope with all these factors.

SOLUTIONS

Turning briefly to consider what policies or practices can cope with this proliferation of industrial child abuse, it is important to stress that most solutions will have to be generated nationally and locally. Where the will to enforce child labor laws is absent, or where the alternatives for children do not exist, virtually nothing can be done by international agencies or foreign governments directly to remedy the problems.

However, there may be steps that can induce a greater will to act, by indirect actions that reward changes in official behavior or provide sanctions against profiting from the misery of children in international commerce. And, where the will to change exists, international assistance and support can be important ingredients in effective overall policies.

Clearly the most important policy change is to increase the opportunity and the requirement for free public education. Uniformly, whether in Brazil, Colombia, or India, lack of schooling leads to child employment. Irrelevant schooling leads to massive dropout rates, which in turn leads to child employment. International development policy should give high priority to assisting nations to upgrade and universalize basic education as the first line of offense against child servitude.

Second, development assistance should more closely target those regions and populations which provide inordinate numbers of child labor. In India, this means reexamining development projects such as the huge dam on the Narmada River which will displace tens of thousands of primarily tribal people, driving them into further marginalization, or providing basic irrigation to sections of Tamil Nadu or Bihar states that are supplying migrant child labor to various industries. The Congress has recently passed legislation requiring the U.S. to support policies at the World Bank and other international financial institutions that encourage countries to respect the internationally-recognized rights of workers. A very good first step in carrying out this mandate would be to call for a reexamination of current development projects with an eye to screening out those projects which exacerbate child labor and redirecting other projects toward alleviation of conditions that lead to child labor.

Third, as the World Conference on Population and Development has concluded, giving high priority to development programs and policy changes that enhance the status and economic power of women and girls will go far toward ending the particular exploitation of female children in the workplace. U.S. development programs, both through A.I.D. and multilateral agencies should increase their focus on efforts that increase the purchasing power and social status of women.

It is also important for development programs and civil justice instruments to be targeted better toward vulnerable ethnic and social groups who provide an undue proportion of child laborers.

In the context of these positive changes, stronger laws and honest enforcement of child labor laws become both possible and necessary. In most countries with child labor problems, laws exist but are ignored. It is impossible to expect strong enforcement of laws where alternative means of survival for the desperately poor do not exist. But, as efforts are made to provide alternatives, they must be accompanied by stronger efforts to enforce and improve laws regulating child labor, compulsory education and health and safety in the workplace. U.S. contributions to the ILO to provide technical assistance in this area through the IPEC program are important.

Another important area of law enforcement which will have an indirect positive impact on child labor is protecting freedom of association and collective bargaining rights for adult workers. It is universally true that where unions exist, child labor is minimal or gone. Adult workers with a right to negotiate and bargain a living wage do not have to send their children into the workplace. Where strong unions exist, they resist powerfully against the hiring of children at wages that undermine their own. So efforts made by the U.S. to secure compliance with internationally-recognized worker rights by its trading partners, either in the GSP program, or through a negotiated social clause at the GATT or its successor, or through the use of the ILO complaint and standards adjudicating machinery, can be an important element in the overall drive to end the scourge of child labor.

The most basic question remains: how, in the face of overwhelming poverty and growing populations, can governments be induced to give priorities to these measures? Clearly, a political will has to be generated which is powerful enough to overcome cultural resistance, prejudice, entrenched economic interests, and the enticement of an export market for goods produced under the cheap, competitive conditions of child labor exploitation.

The evidence exists that the most powerful potential instrument in our hands for bringing about this political will has already been introduced, the Harkin-Brown International Child Labor Deterrence Act. This bill bars the import into the U.S. of products made or processed by children. It also directs specific aid through the ILO and UNICEF toward programs to eliminate child labor in developing countries.

Without having even been considered yet by the relevant Senate or House Committees, this bill has already had a remarkable impact on a number of countries. There is hardly a government with serious child labor problems which is unaware of the Harkin-Brown bill. The name of Senator Harkin is better known in India, it would seem, than even President Clinton. During the last three years, the Indian government has opened up a dialogue with manufacturers and NGOs that has been missing for decades. In Bangladesh, there has been an equally strong reaction, but it has been mostly negative, in which the government has enlisted NGOs to attack the Harkin bill as "protectionist" and "imperialistic," while losing valuable time in coping with changes the Harkin-Brown bill would require in the garment industry there. In Nepal, the Harkin bill is a strong source of willingness to develop a child-free carpet industry and to find alternatives for children who are currently employed weaving carpets. In the Philippines the threat of this bill was sufficient to induce the new Ramos government to reverse legislation just passed by its predecessor in 1992 to lower the age for working children.

Restrictions on trade in goods made by children are also being considered by several European governments for promulgation by the European Union. These laws, together with the Harkin-Brown bill, if enacted, will directly impact only a small portion of child labor in most countries. In India, it is probably less than five percent. However, their importance exceeds the numbers directly impacted. For these bills have the power to generate political will in countries where it has been lacking, and to counter the growing economic and political strength of exporters who have been blocking reform efforts. As countries compete with each other for foreign investment and export markets, such legislation has the effect of taking child labor exploitation out of the equation, of removing child labor as a competitive advantage.

Furthermore, the introduction of the Harkin-Brown bill has already been an important encouragement to non-governmental efforts to achieve child-labor-free production standards in the carpet industry in south Asia, as Kailash Satyarthi has testified. With the possible pressure of this restrictive legislation, carpet manufacturers in India have scrambled to develop alternatives which, after much stumbling and backsliding, have now resulted in the formalization of the "Rugmark Foundation" licensing system for carpets made without child labor. It is unlikely that the carpet-makers would have been willing to undertake such major changes in their production without this pressure. Now, the Rugmark label gives an opportunity to add importing country market and consumer pressures to legal ones to induce change.

We would strongly urge the Senate to take up the Harkin-Brown bill at the earliest opportunity in order to solidify these gains. I sincerely hope you are able to convince your colleagues on the Finance Committee of the urgency of this business, so that the progress already achieved by the possibility of the Harkin bill is not squandered by a slow realization of it.

Prepared Statement of Neil Kearney

INTRODUCTION

I represent the 7 million-member International Textile, Garment and Leather Workers Federation, an international trade union federation which brings together 180 free and democratic trade union organisations in the textile clothing, leather and footwear sectors in 85 countries around the world. As the International Trade Secretariat for sectors of industry which are among the biggest employers of children and treat them the worst, the ITGLWF has a deep commitment to the abolition of child labour. The ITGLWF policy on child labour was adopted unanimously by 6th World Congress by unions from developing and industrialised countries.

Nobody really knows the number of children in full-time employment across the world. The most commonly cited range from 80 to 200 million. Even 200 million probably understates the reality. In Asia alone there are tens of millions of them,

victims of a virtual slave trade taking place in total impunity under the nose of sometimes indifferent and often powerless governments. A few years ago, the ILO estimated that in China alone, there were 40 million working children, aged between 10 and 14. But Asia does not have the monopoly on child labour: Brazil alone has an estimated 7 million children at work. Child labour is also growing in the United States and in Europe, regions where it had almost been eliminated.

THE HORROR OF CHILD LABOUR

Enough can never be said or written about the evil of child labour. Far too many people try to ignore this brutalisation of children, thinking that because it is in some other country it can be forgotten, or even when it is on the doorstep that it is the inevitable consequence of poverty and thus impossible to really tackle.

The following are a few examples of the horror inflicted on millions of children around the world. These are not images drawn from a fevered imagination. They are day-to-day occurrences involving children in the textile, carpet, garment, leather industries. In every case mentioned, the employers involved were producing for multinational companies.

In one carpet factory in Karah, Pakistan, 300 children, some as young as five, work alongside each other from 6 in the morning to 7 at night for less than 20 cents a day. A sign on the wall says any child caught sleeping will be fined US$60. If they cry for their mothers they are beaten with sticks, chains and carpet forks. Some have spent up to 4 or 5 days chained to the loom at which they work because of some indiscretion, often just a mistake in the weaving. One boy, ill and unable to work for two days, was forcefully brought to the weaving shed by the owner and hung from a ceiling fan for two days.

In India, many are branded to indicate the owner to whom they belong; others have been hung upside-down from trees as a punishment for trying to escape. A few months ago in Delhi, an 11-year old had paraffin poured over him and was set alight by his boss for asking for time off.

In Bangladesh, I have seen 9-year olds working three days around the clock sewing shirts, being allowed only a couple of one-hour breaks to sleep next to their machines.

SMALL HANDS MAKE BIG PROFITS

The question is often asked why governments in developing countries don't do more to protect children from such exploitation.

One reason is that, sadly, far too many governments are indifferent to the problem, if not downright implicated in its expansion, believing that rock-bottom wages and appalling working conditions are the only way to prosperity.

Another reason is that intense competition among developing countries is pitting country against country in the battle to secure a limited share of world markets, thus pushing down wages and working conditions for the workers concerned.

Pressure from unscrupulous wholesalers and retailers in the West is another factor that is further impoverishing poor countries. Buyers are pushing down export prices, forcing local producers to cut costs by employing children, who generally earn one third to one tenth of the wages of an adult worker.

As the textile, clothing and leather industries have globalised, child labour has multiplied. The prospects of ever larger mark-ups send companies in search of ever lower wages, and children are, of course, cheap and dispensable. Sometimes unbelievably so. When I asked one Karachi textile manufacturer about children working in his mill, he brushed aside my question with the remark: "I take anyone who can work, young, middle-aged, old. If a 10-year old can do the job, I will take him. And I don't care if he's dead in a fortnight".

Goods produced by children in conditions of virtual serfdom for the stores of North America, Europe Japan and the rest of the industrialised world don't come cheap for the consumer. For example, five-year olds working 15 hours a day in Nepal's carpet export industry earn perhaps US$ 25 for a carpet that will retail at up to US$ 4,000 in the United States or Europe. And the wage Costs in a US$ 60-shirt bought in the U.S. are often less than 10 cents.

TODAY'S CHILD WORKERS ARE TOMORROW'S UNEMPLOYED ADULTS

The employment of children is of course a crime against the children themselves. A recent study on Pakistan's carpet factories estimated that of the 50,000 children in forced labour in this sector will die before their twelfth birthday from malnutrition and disease.

And what about those that survive? Take away the formative years of childhood, and one wonders what the end-result will be. How will these children be able to

function as adults, and what contribution will they be able to make to society in general? What socially incompetent and emotionally crippled young people is today's world guilty of producing?

These children become gradually unemployable as adults because of illness—health hazards which affect workers in our sectors affect children to an ever greater extent—or because they lack proper vocational training, which means that their own children will, in turn, be forced to work.

But child labour is also a crime against adult workers employed in the industry, because it undermines job security and drives down the wages and working conditions of adult workers. In this competition, wages are often so reduced that the combined earnings of the parents and the child are less than the wage of one parent before. From the purely economic point of view alone, it is disastrous to send children out to work.

Take Bangladesh, for instance. Estimates suggest that between 25 and 30% of all workers in the garment industry are under 14. In some factories, the figure is as high as 70%. Women seeking employment are often asked if they have any children who could work. If they don't, they are then invited to take the job at the child rate. As a consequence, wages in the industry have dropped from US$30 per month to around US$10 in many factories.

WHAT CAN BE DONE TO ELIMINATE CHILD LABOUR?

International instruments

International conventions exist on child labour. In 1973, the ILO adopted Convention No. 138, which sets she minimum age for employment as 15 as a general rule and 14 for countries whose economy and educational facilities are insufficiently developed. Unfortunately, most nations have not ratified that Convention and even among those who ratified it, some are not enforcing it. The ILO itself has no power to enforce its conventions and it is up to individual countries to put teeth into the standards contained in the conventions. This rarely happens, and that's why other action is also needed to ensure that real action is taken against child slavery.

The Social Clause

The best way of combating child labour would be to link trade and worker rights through the inclusion of a social clause in international trade agreements. The Social Clause would say that countries which are willfully suppressing basic worker rights in order to gain an advantage over competing countries should not be allowed to participate in world trade. This would render access to world markets dependent on a country accepting and implementing some basic labour standards, including the non-use of child labour, the right to form trade unions, the right to bargain collectively, and a ban on the use of forced labour and discrimination.

The trade union proposal is that the social clause would be implemented through the same transparent procedures that govern of all international trade through the GATT and its successor the WTO. An ILO/WTO Advisory Board would need to be set up to review on the basis of specific complaints whether WTO member states were observing specified minimum labour standards. If a country were found to be systematically disregarding those standards, the Advisory Board would recommend measures to be taken within a specified period of time, and the ILO would offer technical assistance. Of cour-', change could not be expected overnight, and trade sanctions would only be triggered by blatant disregard by a government of minimum standards.

A Social Clause would act not—as some have claimed—as a means of controlling imports or establishing barriers to trade—but as a positive lever to improve working conditions in exporting countries, by laying down the most basic of employment standards.

Most countries would have nothing to fear from such a clause. On the contrary, they have everything to gain, as the social clause would promote fair competition between developing country exporters and would ensure that those who do respect minimum standards are not penalised for their efforts to eradicate child labour. The benefits of trade would thus be distributed more fairly within the producing countries, ultimately benefitting their own growth and the expansion of world trade generally.

Annex I: "Trade and Worker Rights: The Social Clause" sets down details of trade union attempts to incorporate a Social Clause into the GATT and examines the rationale and operating mechanisms for the Social Clause.

Bans on imports made by child labour

Governments must legislate in a way which deals with manufacturers, wholesalers and retailers in the only way they understand—economically. These groups

have ignored the moral arguments and the appeals to national interest, now they must risk losing access to lucrative markets. Legislation should provide for importers who intentionally violate the law to be subjected to punitive fines and terms of imprisonment. In cases where it is found that child labour was used, products from the entire industry in a particular country should be banned. Such legislation would create a strong incentive for industry to police itself to ensure that its access to markets is not endangered.

Consumer pressure

Consumers play a major role in forcing companies to rethink their policies. Today, more and more companies are realising that consumers are not only interested in the products they buy but are also concerned about the conditions under which products are manufactured. In response to consumer pressure, a number of companies, particularly in the United States, are establishing corporate codes of conduct for their buyers, suppliers and contractors, as well as instituting new procedures for auditing their imports.

Provision of education

Children belong in school, not in factories. But parents in poor countries often cannot afford to allow their children time off from work to attend school, because they themselves are unemployed or because their wages have been so reduced that the combined earnings of parents and children are less than the wage of one parent before!

The most important instrument for ensuring that children do not work is to have them attending school. But the reality is that sometimes there are no schools. Therefore, increased resources need to be allocated to education, including school lunch programmes and elimination of school fees and other student costs. This also means finding other ways to make sure that school enrollment for children of the poorest of families is not an impossible liability.

WHAT IS THE ITGLWF DOING TO COMBAT CHILD LABOUR?

The ITGLWF's overall objective is simply to eradicate child labour entirely. We have to recognise, however, that it will be necessary in the short term to provide sustained protection and assistance to those children currently in employment. But palliative measures such as improving the working conditions of children, shortening their hours and providing them with job skills must never let us lose sight of the primary objective which is the elimination of child labour.

[Additional material may be found in committee files.]

Prepared Statement of Guido Bertolaso

RENEWED EFFORTS AND INNOVATIVE STRATEGIES TO COMBAT EXPLOITATIVE CHILD LABOR

I am delighted to have the opportunity to testify before the Labor Subcommittee of the U.S. Senate on the critically important subject of child labor. I want to thank Senator Metzenbaum for inviting me and for his longtime support for the United Nations Children's Fund and the cause of children worldwide.

This hearing is most timely, and not only because child labor continues to be an acute problem. It is also timely because we are living in a period of history in which, for the first time, political will, public awareness and practical solutions to problems affecting children are beginning to converge and bear fruit.

The dimension of the problem

The problem of child labor is, as you know, a huge one. It is a global problem, affecting industrial as well as developing countries—although it is far more acute and widespread in the latter. The International Labour Organization estimates that between 100 million and 200 million children under the age of 15 are working worldwide. This is a very rough estimate, not only because of poor statistics and weak monitoring systems, but also because so many children work outside the formal economy.

Unofficial estimates suggest that in India there are some 44 million working children; in Brazil, there are around 7 million; in Nigeria, 12 million; in Pakistan, 8 million children aged 10 to 14 represent 20 per cent of the working population.

But as I mentioned a moment ago, the problem is not limited to the developing countries. In the United States, as you know, some 5.5 million children between 12 and 17 work, and violations of child labor laws increased by 250 per cent between 1983 and 1990. The difficult transition in Eastern Europe and the former Soviet

Union has forced hundreds of thousands of children into the informal economy and even the employ of criminal organizations.

The distinction between exploitative child labor and work

"Child labor" is a deceptively simple phrase which, in fact, encompasses an extremely complex reality. Children work under a great variety of circumstances, some injurious and some beneficial. Children toil on family plots. They haul water and firewood. They take care of younger siblings and aged parents. They eke out a living in marketplaces and on the streets. They are exploited in illegal sweatshops. They run errands and polish shoes. They are fodder for armies and criminal enterprises. They are servants in well-to-do homes. They pick through garbage dumps, recycling what little can be salvaged.

Children are bought and sold as prostitutes; still today, some are de facto if not de jure bonded laborers who toil to repay debts incurred by their parents. Some receive wages; others do not. Some work part-time to supplement family income or even finance the incidental costs of their own education; others never see the inside of a classroom, and work long hours as major family breadwinners. Some who are not poor work simply because of the poor quality of education offered in school.

As you can see, the work carried out by children ranges from the beneficial to the harmful. It is important to distinguish work from exploitative child labor. In 1986, UNICEF's Executive Board approved a policy on child labor that made this important distinction and specified certain criteria that may be used to determine when work constitutes exploitation. Some are necessarily vague, in recognition of the diversity of attitudes and conditions affecting child labor around the world. Nevertheless, we have found the following criteria of child exploitation in work to be useful: full-time work at too early an age; too many hours spent working; work which exerts undue physical, social or psychological stress; work and life on the streets in bad conditions; inadequate pay; too much responsibility; work which hampers access to education and is detrimental to full social and psychological development; and work that undermines children's dignity and self-esteem, extreme examples of which are contemporary forms of slavery and sexual exploitation.

For obvious reasons, children are more exploitable than adults; they have little, if any, bargaining power to improve the conditions of their employment. Factory- and landowners who hire children tend to enforce discipline through threats and abuse. Even where mistreatment is not a problem, the nature of the work itself is often inappropriate for a growing child. Children whose workplace is the street are particularly vulnerable to exploitation and abuse.

Child labor, poverty and population

The circumstances leading to the plight of child workers were a recurrent theme at the recent International Conference on Population and Development in Cairo. Speaker after speaker described how poverty and insecurity drive couples to have many children—more children than they usually want to have—in the hope that enough of them will survive to help maintain the family and provide for the parents in old age. Where children are essentially "insurance policies" and their labor is key to family survival, children are effectively robbed of their childhood and much of their God-given potential.

If the international community takes the Programme of Action approved in Cairo seriously—by acting to meet basic human needs (including universal primary education), increase child survival, empower women, and widen access to family planning—by the end of this decade we will be overcoming some of the worst manifestations of the abject poverty that unceremoniously ushers young children out of childhood and pushes them into the work force.

The legal-ethical framework

The principal global legal instrument for combating exploitative child labor is ILO Convention No. 138, which requires member states "to pursue a national policy designed to ensure the effective abolition of child labor, to set a minimum age for admission to employment or work and to raise this progressively to a level consistent with the fullest physical and mental development of young people."

The Convention on the Rights of the Child, that "Bill of Rights" for the world's children that entered into force in 1990, affirms in Article 32 that: "States Parties recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development."

Article 32 goes on to require governments to set a minimum age for employment, to regulate working hours and conditions, and to penalize those who violate child labor laws and regulations.

This—together with children's right to relevant, quality and free basic education; to be protected against sexual exploitation, and to have their best interests safeguarded at all times—constitutes the legal-ethical framework within which UNICEF deals with child labor.

The need for universal ratification of the Convention

In record time, the Convention on the Rights of the Child has become the law of the land in 166 countries; the World Conference on Human Rights that took place in Vienna last year called on all countries to ratify this treaty by the end of 1995, year of the UN's 50th anniversary. Only 24 countries—including, I must say, the United States—are left that have not yet ratified it. We strongly urge them to do so with all due haste, and thus enable the Convention to become the first truly universal law in history by the end of next year.

Child labor has also received high level political attention. At the 1990 World Summit for Children, 71 presidents and prime ministers committed themselves and their governments to provide special protection to working children and basic education to all children. A total of 155 national leaders have signed onto this commitment since then, and over 120 countries have already issued or drafted national programmes of action to achieve, by the year 2000, the more than 20 specific goals set at that first ever global summit meeting.

A number of important regional meetings and conferences have also focused on child labor, as part of the broader agenda for improving children's lives. For example, the countries belonging to SAARC—the South Asia Association for Regional Cooperation (where some of the worst child labor problems exist)—met in Colombo in 1992 and resolved to eliminate child labor progressively and in an accelerated manner. They emphasized the importance of education policies in combating child labor.

But we all know that despite the existence of Conventions, legislation and resolutions on the subject, child labor persists. Old and new factors conspire to provide the work force with an ample supply of child labor. Widespread poverty . . . education that is not relevant to young people's lives . . . structural adjustment programmes that slash social services, and a global economy that prizes cheap labor above all else all force children into the work force. In some countries, the number of working children is increasing.

More can be done

UNICEF is convinced that more can be done—more must be done—in the area of child labor. Making greater progress on the child labor front is essential if the world is to achieve the broader health, nutrition and education goals established at the World Summit for Children. But at the same time, achieving these goals will also greatly accelerate the elimination of exploitative child labor.

Strategic considerations

Allow me to share with you a number of strategic considerations that UNICEF feels are vital to efforts to combat child labor:

First, it is imperative to do away with the most exploitative forms of child labor, cruel or degrading treatment and bonded labor. This requires immediate, priority action. We must move against the worst offenders without delay and rapidly create better and viable alternatives for children and their families. This will not happen through legislation alone. Broad social mobilization is needed, involving all sectors of society. We are seeing positive results where communities, media, and NGOs join in common efforts. In India, for example, 25,000 children have been freed from bonded labor in recent years. The challenge we face is to rehabilitate these children and ensure their access to education. Their families will also require support.

Second, we must improve the working conditions of children even where cruel exploitation and systematic abuse do not appear to be a problem. In particular, working hours and conditions need to facilitate access to education and health care.

Third, basic education must be seen as the surest solution to child labor. Efforts to get children out of the workplace are doomed to failure if they are not linked to creating viable educational opportunities. But in much of the world, poor children do not have access to any schooling, let alone to relevant, quality education. The international community has adopted the goal of attaining universal primary education by the year 2000. This goal obviously cannot be reached unless exploitative child labor is eliminated. When basic education becomes accessible, relevant and free, parents will understand that the education of their children is the best investment in their future, and children themselves will also be motivated to get an education. Whether it is formal or non-formal,

education needs to combine academic instruction with training in work skills, health and nutrition, as well as civic rights and responsibilities. Where conditions require it, children should be able to study and work, and employers must be encouraged to arrange shifts so that child workers are able to attend classes. In India, there are some 250,000 non-formal education centres for working children that are opening a window for advancement in millions of working children's lives.

Fourth, we must make better use of existing legal instruments, no matter how imperfect they may be, to combat child labor. But we must also bear in mind that legal restrictions can have effects guite opposite to the ones we seek. They can aggravate the situation by encouraging "invisible", unregulated work. If employers are suddenly forced to lay off all child workers, and no provision has been made to compensate for the children's lost income and to provide them with access to relevant schooling, what we will end up with is more children taking more dangerous and exploitative jobs, and more deprivation and starvation for more families.

Fifth, developing country governments, industries, trade unions and non-governmental organizations must cooperate to build mechanisms for responsibly transitioning young children from the workplace into education, training and other activities that promote their welfare and development. This transition did not happen overnight in the industrialized countries, and it will not happen overnight in today's developing countries. But it certainly can be greatly accelerated through: 1) implementing child labor legislation and regulation, particularly in exploitative,high-risk employment; 2) promoting free, quality primary education and ensuring access to it for all children; 3) promoting the convergence of all social and development programmes to support "at risk" families, so as to prevent child labor; and 4) strengthening alliances between communities, NGOs, the media, industry, unions and government at all levels to ensure social mobilization for the elimination of exploitative children's labor, to enhance the protection of working children and respect for their rights.

Sixth, and finally, the industrial countries should encourage holistic approaches to combating exploitative child labor and increase or restructure aid packages accordingly. In particular, assistance for universal primary education needs to be increased if there are to be significant gains in the child labor field. Presently, according to a recent UNICEF study, only about 9 per cent of overseas development assistance (ODA) is going to education in Third World countries; of that amount, less than a quarter is devoted to basic education. Clearly, donor countries that wish to have an impact on child labor can do so by increasing the proportion of aid going to basic education. Long term, cooperative partnerships or compacts between donor and developing countries to achieve sustainable human development are certainly what is most likely to accelerate progress. We are aware that trade sanctions are being considered as a tool to combat child labor, and we agree with the NGO Defense for Children International, which recently stated that such measures "could in fact make a change in the life of child workers if they were undertaken in the framework of genuine integrated national and international strategies to fight against poverty, social injustice, and for the rights of child workers, with the participation of the child workers themselves." And we have seen that even the threat of trade sanctions can get certain industries and employers to lay off their young workers; this, in fact, is what happened in Bangladesh last year. But as a UNICEF/ILO study found, many of the children wound up in a situation far worse than the one they left, working under poorer conditions than before and not attending school. This is an outcome all would agree must be avoided.

UNICEF policy under review

UNICEF takes a strong stand against exploitative child labor and works in collaboration with the ILO and other international agencies, governments, NGOs, trade unions, private industry,legal experts and children themselves to ensure the protection of working children and their integration into the educational system, in line with the provisions of the Convention on the Rights of the Child. All of our activities in the area of child labor put the best interests of the child in first place. In this framework, however, we recognize that there is no single answer—no magic bullet, no single formula—to tackling a problem that is so complex and linked to local realities. Given new developments in this area and the emergence of promising new strategies in recent years, our policy regarding child labor is currently under review. Hearings and debates such as the one we are taking part in today are a most useful part of this process.

Innovative approaches

Innovative approaches to this problem are awakening widespread interest and sparking concerted action in a number of countries:

UNICEF India is working with a broad range of partners on a most promising proposed strategy to eliminate exploitative child labor, in a phased manner, by the year 2000. Each year, over this period, emphasis will be placed on getting a different age cohort into primary school and out of exploitative labor situations. Making the education system work and providing real access to primary education for all children is a pre-requisite for the strategy's success. The goal-driven, time-bound approach under consideration in India could provide a useful model for adaptation elsewhere.

UNICEF India is also working with a number of partners—including the carpet industry—to establish a "child labor-free trademark" to be shown prominently on rugs certified as having been produced without child labor. The Rugmark Foundation established to promote this initiative will be made up of companies that do not employ child labor and support compulsory primary education. Rugmark is proposing a levy of 1-2 per cent of the value of carpets at export point in India, and that the revenue be used to rehabilitate and educate children released from the carpet industry. The Rugmark initiative has the advantage of mobilizing the private sector itself to voluntarily certify non-use of exploitative child labor, and at the same time support the transition of child workers into education. UNICEF India has also decided not to purchase supplies or equipment from businesses exploiting child labor.

In Bangladesh, UNICEF and the ILO have begun to work with the government and NGOs, including the garment industry, to link improvements in working conditions with improvement in basic education, with a view to progressively eliminating exploitative child labor. The most hazardous workplaces are being identified for immediate action. Assistance will be provided to NGOs that offer quality non-formal education—such as the Bangladesh Rural Advancement Committee (BRAC)—to go to scale.

MIn Brazil, UNICEF is providing support to a formal partnership between government and civil society called the Pact for Children. A combination of national standards and decentralized action provides for gradual and progressive elimination of exploitative child labor, while seeking to protect working children against immediate dangers to their health and development. Special emphasis has been placed on providing basic education, health care and other services for street children.

In Egypt, efforts to eliminate exploitative child labor are being carried out in the context of implementation of the Convention on the Rights of the Child. UNICEF is working with employers to provide vocational training and basic education to working children. What began as a pilot project in Alexandria is currently being expanded to two urban slum sites in Cairo. NGOs, particularly the Scout movement, are taking the lead in this effort.

In the Philippines, civil society has taken the lead in protecting children, and has catalyzed government interest and support in the process. Using creative forms of advocacy, social mobilization and provision of viable alternatives, a broad alliance of organizations has made important inroads against child prostitution, child employment in deep-sea fishing and child scavenging in garbage dumps.

The Undugu Society of Kenya, with UNICEF support, offers education to working children in four low-income areas of Nairobi, using regular school facilities with a modified curriculum and flexible hours to suit working children's needs.

The contribution of child workers

Let me note, in closing, that with their labor, the little stand largely invisible victims of poverty help make the world go round. Certainly, they are an invaluable help to their families. As tragic as their circumstances may be, I think we must all pay tribute to the resilience, tenacity and generosity of children who labor. Rarely in discussions of this problem is their contribution recognized. I believe that the formidable coping strategies developed by the poor—and especially poor children—merit our admiration and gratitude, rather than the disdain society traditionally heaps on them.

But recognition of the contribution of working children does not mean condoning or tolerating exploitation. We at UNICEF believe that under no circumstances should children have to tax their energies, compromise their development, risk their health or undermine their potential through exploitative or hazardous labor. Children have a right to childhood, to health and learning, to play and relaxation. And

we adults have an obligation to see to it that these rights are respected—not only because it is the humane and moral thing to do, but because our collective future depends on it.

President Clinton said it eloquently last year before the UN General Assembly: "As we dream new dreams in this age when miracles now seem possible, let us focus on the lives of those people, and especially on the children who will inherit this world. Let us work with a new urgency and imagine what kind of world we could create for them over the coming generation . . . We are compelled to do better by the world's children . . . We must ensure that there is a place at the table for every one of the world's children."

Thank you for your keen interest in this issue and, once more, thank you for giving UNICEF the opportunity to testify.

Statement of The Child Labor Coalition

The Child Labor Coalition applauds Senator Howard Metzenbaum (D-OH), chairman of the Senate Labor Subcommittee, for today's hearing on the exploitation of working children around the world. Senator Metzenbaum has been a champion for protecting the health, education, and well-being of working children and committed to ending child labor exploitation. We think this hearing, so near the end of his final term, is indicative of his commitment to this issue.

The Child Labor Coalition (CLC) is a group of 42 organizations which are committed to ending child labor exploitation, both here in the U.S. and abroad. Members include representatives from the International Labor Rights Education and Research Fund, the National Consumers League, the National Education Association, Consumer Federation of America, the AFL-CIO, the Children's Defense Fund, and many other organizations and associations. The coalition educates the public, media, and legislators about child labor exploitation and is committed to strengthening child labor laws and enforcement on a state, federal, and international level.

Around the world, children can be found working under horrifying and hazardous conditions, with unscrupulous employers taking advantage of the most vulnerable of all workers and desperate family situations. Most experts say the child labor problem is escalating worldwide. The Department of State's 1991 Human Rights Report revealed that only 44 countries out of 170 had no indication of child labor problems. According to the International Labor Organization, not only has the sheer numbers of working children increased, but the condition of child workers has worsened dramatically in recent years.

Today many child workers are employed in wage or semi-wage employment in mines, factories, and plantations. They are subjected to exploitative practices, forced to work under conditions dangerous to their health and their physical and mental development.

Employing children is no humanitarian gesture. It is not a concern for children which motivates child employment. Nor does benevolence drive the purchase of goods produced by exploited children. No matter what the industry. No matter what the country. No matter what the situation, the fact remains that child labor is desirable—and is preferred over adult employment—because it is the cheapest labor available. Child labor is always cheaper than adult labor. That is why in India, for example, one finds 55 million children enslaved and an equal number of adults unemployed. Moreover, children are valued as workers because they are the easiest of all workers to control.

Today's hearing, in conjunction with the U.S. Department of Labor's recent report on industries and their host countries that exploit children in the production of goods for export to the United States, adds a sense of expediency to the passage of the Child Labor Deterrence Act, a bill introduced by Senator Tom Harkin (D-IA) and Rep. George Brown (D-CA) which will prohibit the import of items made by children under the age of fifteen. The CLC urges Congress to respond to the Department's report and the testimony from today's hearing and support passage of this bill.

What is ironic is that some of the products made by exploited children are exported to the United States—a country that makes the enslavement of its own children illegal. U.S. consumers often do not realize the products they are buying are made by children, as young as five years old. Those consumers who are informed are often frustrated from the difficulty in identifying the products made by children. The shirt we buy from Bangladesh, the rug from India, the leather bag from Thailand, and the shoes from Pakistan could very likely be the work of children. The list goes on in a never-ending array of products.

Until the passage of the Child Labor Deterrence Act, advocates must take a piecemeal approach, targeting the most abusive child labor situations. The Child Labor

Coalition announced on September 18, 1994, a campaign to raise consumer support to end child labor exploitation in the making of hand-knotted carpets from South Asia. The RugMark Campaign will urge consumers and retailers in the U.S. to buy carpets with the RugMark, a label affixed to carpets made free of child labor.

The South Asian Coalition on Child Servitude (SACCS) has launched the RugMark initiative, which includes the formation of the RugMark Foundation and an internationally-recognized label for carpets produced without child labor. Carpet manufacturers who agree to produce carpets without the use of child labor may affix the label to their products.

To join the RugMark, manufacturers agree to allow access to their looms for unannounced inspections by non-governmental organizations, under the RugMark Foundation's authority. Since the United States is one of the leading markets for imported carpets from South Asia, the success of the RugMark campaign depends on consumer demand for carpets produced free of child labor. The United States imported $172 million worth of carpets from India alone in 1993. The first carpets with the RugMark label will arrive in U.S. stores within a few months.

With the RugMark, consumers will finally be given a choice in buying a product made free of child labor. But it's one product out of many where children are exploited, which again, emphasizes the need for a comprehensive measure to remove these products out of the American marketplace.

As major consumers of the world's products, the U.S. must take greater responsibility for the conditions under which goods are manufactured and produced for the U.S. market. No longer can officials in the third world and U.S. businesses and importers turn a blind eye to the suffering and misery of the world's children. Therefore, we urge the Congress to take action—and world leadership—in this very critical area as we move forward into an ever expanding global marketplace.

STATEMENT OF RALPH NADER AND LORI WALLACH

Thank you for allowing me to testify today Mr. Chairman on the compelling issue of child labor. This hearing is a testament to the many years the country has been served by your diligence concerning the treatment and conditions of working people here and abroad.

The Child Labor Deterrence Act, sponsored by Sen. Tom Harlan, would provide a much needed tool in the fight against the tragic international pattern of child labor abuse. We commend the representatives from the nongovernmental organizations who have participated in the child labor conference sponsored by the National Consumer League and at this hearing for bringing to the media's and public's attention the social and economic devastation child labor abuses cause around the world.

However, at the very time that this important legislation is being debated by Congress, an international agreement that would eviscerate this proposed child labor legislation is quietly speeding toward Congressional consideration. That agreement is the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). Although few Senators or citizens are familiar with its contents or implications, the Clinton Administration hopes to push legislation to implement the agreement through Congress in the next two weeks.

It is ironic that at the very moment that this worthwhile bill is being considered the GATT legislation that would undermine it is moving toward a vote. Any Senator who thinks this bill is a good idea should know, but most do not, that it would not be allowable under the proposed GATT regime.

A vote for the GATT Uruguay Round is a vote to undermine this proposal and all others already existing like it that limit market access to the lucrative U.S. market based on labor and human rights. That the Child Labor Deterrence Act would be "GATT-illegal" is quite evident under existing GATT rules and jurisprudence.

I. The Child Labor Law Would Conflict with GATT Rules

The Uruguay Round's provisions would effectively preset the parameters for domestic policy-making by putting into place comprehensive international rules about what policy objectives a country may pursue and what means a country may use to obtain even GATT-legal objectives. In regard to the child labor proposal, the goal of limiting child labor is not one the GATT endorses and the means of accomplishing this goal by differentiating between physically similar goods on the basis of how they were produced is specifically GATT illegal.

Moreover, the proposed agreement specifically limits Congress' ability to put in place unilateral trade measures.[1] Yet, because the United States has the world's largest consumer market, we have been able to use access to our market as an incentive for other countries to meet certain labor rights, environmental and human rights goals we support. Such market access requirements also ensure that domestic producers are not put at a competitive disadvantage by merely following U.S. law. These principles underlie the proposed Child Labor Deterrence Act. Yet, the Uruguay Round effectively forbids any country from taking any trade action on any issue covered under the broad expanse of the new trade rules without permission from Geneva.

A. The Child Labor Bill is based on "Production Standards"

The terms of the Uruguay Round would limit policy goals for which legislatures around the world could strive. One critical issue is the extent to which trade restrictions may be imposed on products based on processing and production methods. This issue is not only vital to effective enforcement of many important policies; it also has important competitiveness implications for U.S. industry. The proposed child labor legislation is a clear example of such a market restriction based on a product's production methods. Under the bill two garments could appear physically the same, but the one made with child labor would be kept out of the U.S. market. Under GATT this treatment would be considered illegal "discrimination".

Yet, one of the cornerstones of GATT is that "like" products must be accorded treatment no less favorable than that accorded like domestic products and like products imported from other countries.[2] The fundamental GATT rules have been interpreted to preclude imposing restrictions on products based on the way they are produced if they are physically alike.

The best known GATT case on this issue is the successful 1991 challenge by Mexico of the U.S. Marine Mammal Protection Act. Known as the tuna-dolphin challenge, a GATT panel concluded that the U.S. ban on imports of tuna caught by methods that kill too many dolphins were impermissible because they were based on the way the tuna was caught, not any inherent characteristics of the tuna itself.

Despite strenuous efforts by environmental and international labor rights activists, the Uruguay Round text does not reject this approach, which even the Bush Administration admitted had upsetting implications for U.S. human rights and labor rights policies that use trade for enforcement. In a 1991 House Energy and Commerce Health and the Environmental Subcommittee hearing on the tuna-dolphin case, President Bush's USTR General Counsel Joshua Bolton responded to questioning about the broader implications of the case by revealing that the Bush Administration was concerned about the panel decision's ramifications for human rights-based trade measures.

It seems unimaginable that decisions regularly taken by domestic legislatures could run afoul of the rule forbidding discrimination between products based on how they are made or harvested. These decisions include, whether a country may: ban imports of shoes, garments, or other goods made with child labor; ban imports of timber that does not come from sustainably managed forests; ban imports of ivory from countries with inadequate elephant conservation programs; ban imports of beef slaughtered in violation of humane standards; ban imports of products produced with ozone-depleting chemicals; ban tuna imports caught in a way that kills too many dolphins; and ban fish imports caught with large-scale drift nets.

The United States cannot effectively enforce its own domestic standards if it cannot control its own market to ensure that its domestic producers are not at a competitive disadvantage for merely following U.S. law. It is only by being able to distinguish goods on the basis of their production methods, that the U.S. will be able to provide a level playing field for domestic companies that meet important labor, safety and environmental standards.

Additionally, the means used to accomplish even GATT-legal goals must be the "least trade restrictive." Thus, even if GATT endorsed reducing child labor as a goal, a U.S. law to do so could be found GATT-illegal if it were not the least trade restrictive way of accomplishing that goal. The current proposal is both highly effective and one of the most trade restrictive ways to achieve the goal of stopping trade in

[1] World Trade Organization Dispute Settlement Understanding, Article 23. This section, entitled "Strengthening the Multilateral System," requires countries to go through the GATT's tribunal system when evaluating another country's trade practices, deciding if there are problems, suggesting how such problems should be resolved, deciding what is a reasonable time for any changes to occur, and assessing damages of any violation and whether trade sanctions can be used. in short, under the Uruguay Round the United States could not undertake any step of Section 301 or Super 301 except collecting the evidence of a trade violation.

[2] GATT Article III.

child-labor-goods. A less trade restrictive and much less effective means, for instance, would be consumer labelling of goods as: "Made by Child Labor." Under GATT, a panel of trade experts would be empowered to make that policy decision.

As farfetched as this example may sound, in its recent GATT challenge against the U.S. CAFE standards and gas guzzler tax, the European Union (E.U.) argued that while the U.S. goal of conservation was allowable, the means used to achieve that goal were not the least trade restrictive. The E.U. argued that the United States should use a carbon tax, instead of the current CAFE system. As was made evident last year in Congress, a carbon tax was not a politically feasible option. Under the existing GATT rules, the outcome of the E.U. challenge is uncertain. Under the WTO, the CAFE standards/gas guzzler program would be found to be an illegal trade barrier.

Both the dolphin and CAFE challenges have occurred under the existing GATT rules. The proposed Uruguay Round expands the coverage of those bad "trade uber alles" rules and also establishes much stronger enforcement of them.

II. Strong Enforcement of Bad Rules

Under the proposed GATT Uruguay Round, a powerful new international agency, called the World Trade Organization (WTO), would be established to enforce the GATT's retrograde trade rules. The World Trade Organization text would establish a powerful new international institution whose mandate looks backwards to an era when environmental, health, safety and other considerations were not taken properly into account. The binding provisions setting out the World Trade Organization's functions and scope do not incorporate any environmental, health, labor rights or human rights considerations. In fact, the only reference to the environment is in the rhetoric of the World Trade Organization's preamble, which does not have the binding legal effect of the agreement. Labor and human rights are not mentioned in the preamble at all.

Moreover, there is nothing in the institutional principles of the World Trade Organization to inject any procedural safeguards of openness, citizen participation or accountability into the governance of this body or its functions. The World Trade Organization does not even have the structural capacity for citizens or nongovernmental organizations to have any role in its functions.

As with the GATT, World Trade Organization dispute resolution procedures allows a Member nation to challenge another Member's domestic laws as illegal barriers to trade. Such challenges are decided in secret by panels of three trade experts who are chosen from a preset roster. As a general matter, shifting away "judicial" review to fora that do not have the procedural safeguards of the U.S. federal and state judicial systems is troubling. Trade dispute panels, whether in the World Trade Organization, NAFTA or U.S.-Canada FTA, share several highly problematic traits: panelists have no guarantee of impartiality nor economic disinterest; All documents and proceedings are secret; and There is no outside appeal or review available.

These problems are made more important in the World Trade Organization context by the new power given the World Trade Organization as an institution. As well, these problems are more serious than in the NAFTA because in the World Trade Organization, powerful potential "litigants" such as Japan and the European Union could use the World Trade Organization system, rather than our domestic courts, to review the continued validity of U.S. policy.

The World Trade Organization allows trade challenges of all domestic laws—federal, state and local—that conflict with any of the World Trade Organization's substantive trade rules[3]. However, the World Trade Organization also allows challenges of some domestic laws that another country considers as "nullifying or impairing" any direct or indirect benefit that it expects from the specific trade rules, even if there is no violation of a specific World Trade Organization rule.[4] Similarly, a law can be challenged if "the attainment of any objective [of that Agreement] is being impeded" by that law.[5] The vagueness of this provision is alarming in that

[3] As with the existing GATT, the WTO allows challenges against state and local laws. (DS Understanding at 22.9.) When a WTO panel rules that a state or local law does not meet the trade rules, the federal government "shall take such reasonable measures as may be available to it to ensure . . . observance." Id. at 22.9.) A GATT panel has already interpreted the "reasonable measures" standard, which is present in the existing GATT (1991 Panel report on Canadian challenge of certain U.S. Alcohol Taxes and Regulations (Beer II.)). Under the terms of an adopted GATT case known as Beer II, the United States must use all powers constitutionally available to force subfederal compliance with trade panel rulings. This could include preemptive legislation, litigation and withdrawal of federal financial support.

[4] Dispute Settlement Understanding at 26.1.

[5] Id. at 26.1.

it could be interpreted to include laws and policies that would seem to be free from trade disciplines.

The World Trade Organization's rules and restrictions would apply to existing federal, state and local laws, as well as to future laws.[6] The World Trade Organization text provides that:

> "Each Member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the annexed Agreements."[7]

Thus, if Congress approves the GATT Uruguay Round and as a result the WTO is established, any country that does not approve of the Child Labor Deterrence Act can challenge it before a closed tribunal of three trade specialists in Geneva, Switzerland. The challenge could claim that the law is an illegal trade barrier because it does not meet the trade rules set out above.

Under the proposed World Trade Organization, the ruling of these panelists, who are subject to no conflict of interest restrictions, is automatically adopted as international trade law unless all WTO Members, including the dispute's winner, vote to stop it. Once adopted, the United States Congress would be required to eliminate or alter the Child Labor Deterrence Act or the "winning" country could put into effect trade sanctions against the U.S. economic sector of its choice until the law is eliminated or changed. Under current GATT policy, the United States must join with all other GATT countries in unanimously approving adoption of panel rulings. Thus, the U.S. maintains an "emergency break" in that it can stop final adoption of GATT panel rulings that are particularly offensive. It was by using this procedural block, which would be eliminated under the WTO, that the United States stopped adoption of the 1991 ruling against the dolphin law.

Conclusion

Few Members of Congress have considered the fundamental change the Uruguay Round would make in the status and relative power of the global trade rules. Perhaps this threat is made most vivid when a specific favorite piece of proposed or existing legislation is shown to be not allowed under GATT.

Approval of the Uruguay Round would replace an international trade contract between countries with a powerful new institution with a permanent structure, powers, functions and an independent legal status the old GATT contract did not have. In several important ways, including the automatic dispute resolution and trade sanction functions noted above, the World Trade Organization would have more authority and power vis-a-vis each World Trade Organization Member nation than the existing GATT.[8]

A fundamental principle of this child labor legislation is that governments have a vital role in regulating the market place in the furtherance of social goals, such as eliminating child labor abuses. The law sets up a rule for entry into the U.S. market: You want to sell here, then do not use child labor.

Yet, a fundamental goal of the GATT Uruguay Round is to get governments out of limiting the excesses of the market. The threat to domestic legislative prerogatives is rooted in one of the underlying goals of the Uruguay Round: to limit each country's ability to control terms of trade through domestic legislation, and thus strengthen the relative power of international trade rules and multinational corporations.

The comments of GATT Director General Peter Sutherland sum up the underlying reason why the GATT would view legislation such as the Child Labor Deterrence Act as an illegal trade barrier: "Governments should interfere in the conduct of trade as little as possible," he said in a March 3, 1994 New York City speech criticizing a U.S. push to include environmental and social issues in the future World Trade Organization negotiations.[9]

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[6] The future under the World Trade Organization was foreshadowed by the recent Clinton Administration announcement that all future U.S. environmental proposals would he put through trade reviews to ensure they complied with U.S. trade obligations. (Inside EPA Weekly Report, Vol. 14, N. 33, September 24, 1993.)

[7] Agreement Establishing the WTO, Art. XVI-4. The Annexed Agreements refer to all of the substantive trade rules which were negotiated in the Uruguay Round.

[8] The new dispute resolution rules would eliminate the procedural "emergency brake" on adoption of dispute panel reports that allowed the U.S. to freeze adoption of the 1991 tuna-dolphin decision. Under the Uruguay Round rules, Congress would have been required to either eliminate the law or pay perpetual trade benefits to Mexico by early 1992. Failure to act would have resulted in automatic trade sanctions.

[9] Reported in the Journal of Commerce, March 4, 1994.

Thus, we urge any Senator who supports this forward-looking child labor legislation to oppose the GATT Uruguay Round and send it back to the negotiating table for a major overhaul.

Thank You.

FAIR LABOR STANDARDS ACT
A QUICK GUIDE TO COMPLIANCE
FOR THE APPAREL INDUSTRY

The Fair Labor Standards Act (FLSA) is a federal law which applies to all employees who engage in producing goods which may or will be shipped to other States or nations. Virtually all apparel shippers, manufacturers, jobbers, cutting contractors, and sewing contractors are subject to this law.

THE FLSA REQUIRES EMPLOYERS TO:

Pay at least the minimum wage, currently $4.25 per hour, to all employees; and this includes employees paid on the basis of commissions, piece rates, or a salary. Each employee must average at least $4.25 per hour for all the hours that the employee works in any given workweek.

Pay overtime at one and one-half times the employee's regular rate for each hour worked in excess of 40 hours in any given workweek. This includes commission, piecerate, and most salaried employees, all of whom must be paid (for each hour in excess of 40 in a workweek) an additional one-half times the average earnings of the employee for the workweek.

Employ no oppressive child labor, as defined in the FLSA and regulations under the FLSA. Minors under 16 years of age must not be employed in any manufacturing occupation, including any work in work rooms where any manufacturing operations (such as cutting or sewing activities) are carried on; and minors under 18 years of age must not be employed in any occupation determined by regulations under the FLSA to be particularly hazardous for such minors.

Keep records for each employee, including: name, social security number, home address and telephone number, date of birth (if under 19 years of age), hours worked each day, total hours worked each workweek, basis of pay computations, regular pay, overtime premium pay, total gross pay, deductions (specifying the nature and amount of each), and net pay. All employees who have been hired since November of 1986 must also fill out an I-9 form.

THE FLSA PROHIBITS:

Homework in the ladies apparel industry, without proper certification.

Sale or shipment of "hot goods" in commerce.

WHAT ARE "HOT GOODS"?

Hot goods are goods produced in violation of the following provisions of the FLSA:

Minimum wage provisions
Overtime pay provisions
Oppressive child labor provisions

Hot goods may not be shipped or sold for shipment to other States (or nations), nor may they be shipped or sold with knowledge or reason to believe that such sale or shipment is intended.

The more competitive an industry, the greater the precautions needed to guard against violations of the hot goods provisions of the FLSA. The garment industry is known to be very competitive. If goods may ultimately be shipped to other States or nations, it is necessary to ensure that all the employees engaged in working on the goods are paid in compliance with the FLSA.

SUGGESTED METHODS OF HELPING TO ENSURE COMPLIANCE BY CONTRACTORS:

PRE-CONTRACT REVIEW; FEASIBILITY OF PRICE TERMS

Prior to entering into any purchase (of goods or the performance of any services on goods), review with the proposed Contractor:

a) minimum wage, overtime pay, recordkeeping, child labor and homeworker provisions of the FLSA;

b) ramifications of non-compliance with the FLSA;

c) the economic feasibility of the proposed price terms, based on:

   1) the changes, if any, that the Contractor would have to make to comply with the FLSA,

   2) the results of a time and cost study (which should be conducted to determine estimated payroll costs to perform the contract in compliance with the FLSA), plus overhead in a reasonable amount,

   3) the Contractor's own expectations regarding making a profit, and

   4) the willingness and ability of the Contractor to both fully understand and fully comply with all of the requirements of the FLSA.

d) intention to review (during the performance of the contract by the Contractor) the Contractor's compliance with the provisions of the FLSA.

If such a review discloses an unreasonable risk that the FLSA will not be fully understood and fully complied with by the Contractor, the purchase should not be made from that Contractor.

AFTER THE AWARD OF THE CONTRACT:

Put all of the essential terms of the purchase in writing, including those relating to compliance with the FLSA, and obtain the Contractor's signature. The contract should be in language the Contractor understands.

Provide the Contractor with copies of Wage-Hour publications on the FLSA and a copy of the Wage-Hour poster explaining the FLSA. Instruct the Contractor to post the poster, with a copy of your business card and/or telephone number attached to the poster with a note inviting inquiries by employees of the Contractor regarding the Contractor's compliance with the FLSA. Tell the Contractor of available assistance regarding compliance with the FLSA.

Monitor, at least once each calendar quarter, the Contractor's compliance with the FLSA. Monitoring should include: unannounced inspections; spot-checks of time and payroll records; and interviews of employees of the Contractor regarding the hours worked, wages paid, and other matters (such as the accuracy of records kept) which relate to the Contractor's compliance with the FLSA. The findings of the monitoring should be documented.

Assure that payment of employees is by check, including pa stubs which show hours worked, rate of pay, total gross pa (showing regular pay and overtime pay separately), and th deductions made to arrive at the net pay covered by the check.

Assure that a workweek is established and a regular pay day i designated.

Assure that the Contractor keeps accurate records of hour worked by employees, by requiring each employee of the Contracto to use a timecard for each workweek, on which the employee record the employee's hours worked with a timeclock.

Assure that accurate individual earnings records are kept.

When any monitoring reveals violations, increase the degree of monitoring and require the Contractor to pay back wages due under the FLSA and provide proof of payment. Appropriate steps should be taken to assure that there is no recurrence of violations.

Conduct, from time to time, follow-up with the Contractor to review compliance with the FLSA.

Wage and Hour Division
Employment Standards Administration
U. S. Department of Labor

Labor Standards Compliance in the Garment Industry

The garment industry is a large and important part of the manufacturing sector that is chronically plagued with violations of labor and safety standards. The Department has concluded that, with limited resources, the traditional approach employed to achieve compliance will not work to change the deplorable compliance situation that pervades the garment industry. The Department's past approach has been to conduct investigations of the sewing and cutting contractors, find varying degrees of violations and then attempt to collect back wages, many times unsuccessfully, from the generally undercapitalized firms.

The Department has commenced an initiative in the garment industry that seeks new approaches to have a greater impact on compliance in that industry. We plan to raise the profile of this problem and of our presence in the garment industry. The Wage and Hour Division also plans to use the full range of enforcement tools at our disposal. We plan to coordinate our efforts with other enforcement agencies and the Office of the Solicitor and thereby leverage our mutual enforcement resources. We also want to encourage other powerful players in the industry -- manufacturers and retailers -- to get interested and directly involved in promoting compliance.

In order to get the message out to the retailer community, meetings will be scheduled with major retailers and their association representatives in order to enlist their help in effecting change in the industry. In October, Wage and Hour Administrator Maria Echaveste will hold a Retailer's Roundtable during which the retailers will be asked to assist in our efforts to promote greater compliance in the industry. Throughout the fall, Wage and Hour Regional Executives will schedule meetings with retailers in major cities across the country to educate them about compliance problems in the industry and to ask for assistance in obtaining a greater level of compliance with contractor sewing shops.

One compliance tool that we plan to use more frequently is the provision in the Fair Labor Standards Act for "hot goods" enforcement actions. Starting in October 1994, at the national and regional levels, we are starting a program of outreach and education to identified garment manufacturers and retailers about the problems of compliance in this industry and our initiatives to promote greater compliance. This will be followed by a compliance survey early in 1995 and an investigative program aimed at the "worst violators." We will develop evidence bearing on contractors' and manufacturers' shipment of "hot goods" to retailers. From these investigations, we will seek to establish the circumstances that would make retailers subject to the "hot goods" provisions.

In appropriate cases, we plan to notify both the manufacturers and retailers of the existence and shipment of "hot goods" without regard to whether the violations are resolved and the goods thereby "cooled" at a lower level in the production chain. This will put retailers on notice that they have been receiving "hot goods" from specified sources in the past and that they should be concerned about their current contractual relationships.

In certain situations where adequate groundwork has been laid and where the facts indicate we are justified, we will move for a "hot goods" injunction. This puts the retailer on notice that the goods are "hot," that the violations of labor standards have not been resolved and the goods should not be shipped.

We believe that the "word" of our efforts will spread rapidly through the industry by press reports of our efforts and word of mouth from garment contractors, manufacturers and retailers. The goal of this initiative is to leverage the Department's resources by raising the consciousness level throughout the industry and involving all layers of the garment industry in compliance efforts.

As part of this effort, the Department has prepared a document titled "A Quick Guide to Compliance for the Apparel Industry," and a press release. Copies are attached for informational purposes.

Prepared Statement of Charles Kernaghan

I am Charles Kernaghan, and I am the director of the National Labor Committee, which is made up of 23 national unions in the United States. Since 1980, we have monitored worker rights conditions in Central America and the Caribbean.

The National Labor Committee has brought a brave young girl from Honduras, Lesly Margoth Rodriguez, to testify before you at these hearings. Lesly, like thousands of other Honduran children, works sewing clothing which is exported to the U.S. The National Labor Committee along with Crowing Rooster Arts is making a film on the maquiladora industry in Honduras. Over 99 percent of the goods assembled in these maquilas is for export to the U.S. market. You will see a brief excerpt of this film.

By way of background it is important to note that Honduras, like the rest of Central America and the Caribbean, has become a mecca for offshore assembly plants producing for the U.S. market. Under the Caribbean Basin Initiative the number of maquiladora workers in Honduras grew from 1,300 in 1984 to over 43,500 today. During this period, Honduran apparel exports to the U.S. grew **2400 percent**--reaching $506 million in 1993. Honduras now exports almost twice as much apparel to the U.S. as the U.S. exports to Germany, France, Italy and the United Kingdom combined. There are at least 157 U.S. companies importing goods assembled in Honduras.

Honduras is truly in our back yard, a mere 1 1/2 hour flight from Miami.

But what is not well-known is that while maquiladora exports from Honduras to the U.S. were growing **2400 percent**, the U.S. dollar wages of the maquiladora workers were cut **53 percent**.

Thirty-four percent of the women employed in the Honduran maquilas are under 18 years of age. Children between 12 and 15 years old make up **13 percent** of the workforce.

More than a quarter of the women maquiladora workers report having either been physically abused at work or having witnessed such acts; such as slaps, punches, kicks, being shoved, or whipped with a belt.

A large majority of the women report being forced to work overtime, with shifts of 12 hours or longer. Fifty and sixty hour workweeks are common.

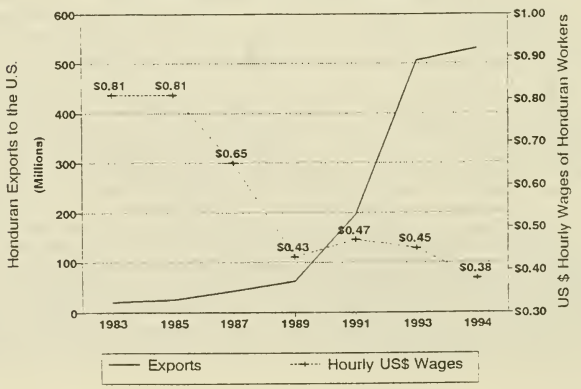
Under Honduran law no child is allowed to work more than six hours a day and no more than 30 hours a week. No child can work overtime. Every child must have the opportunity to attend night school. No child can be physically punished or made to work under conditions harmful to her or his health.

Every one of these legal protections are being massively violated on a daily basis. There has not been a single on-site inspection by Honduran Labor Ministry officials of these violations in the maquiladoras. No maquiladora company has ever been fined for physically punishing children and adult workers.

One hundred percent of the women report that they would be immediately fired if they expressed interest in organizing a union. The Ministry of Labor has been totally unable or unwilling to protect the legal rights of the Honduran maquiladora workers, including their right to organize.

These conditions not only violate Honduran law, but by permitting goods made under these conditions to enter the U.S., they also violate the worker rights provisions of the Caribbean Basin Economic Recovery Act and the Generalized System of Preferences.

As Honduran Maquiladora Exports Skyrocket the Dollar Wages Paid by U.S. Companies Decline by 53%



Year	U.S. Maquiladora Imports from Honduras	Hourly Minimum Wage (Lempiras)	Exchange Rate (Lempiras/US$)	Hourly Minimum Wage (US$)
1983	$ 20.400.000	1.62	2/$1	$0.81
1984	$ 22.200.000	1.62	2/$1	$0.81
1985	$ 25.800.000	1.62	2/$1	$0.81
1986	$ 31.900.000	1.62	2/$1	$0.81
1987	$ 41.900.000	1.62	2.48/$1	$0.65
1988	$ 62.000.000	1.62	3.10/$1	$0.52
1989	$ 86.700.000	1.62	3.73/$1	$0.43
1990	$112.600.000	2.15	5.10/$1	$0.42
1991	$196.600.000	2.66	5.63/$1	$0.47
1992	$367.131.000	3.02	5.75/$1	$0.53
1993	$506.000.000	3.29	7.26/$1	$0.45
YTD 1994	$507.830.000*	3.29	8.69/$1	$0.38

* Sources: Import figures from U.S. Commerce Department. Year-to-date 1994 imports are January-May figures annualized, but not seasonally adjusted. Minimum wage and foreign exchange rates were obtained from various business sources. YTD 1994 foreign exchange rates are as of 7/12/94.

Honduras

34 percent of the women working in the export processing zones assembling goods for the U.S. are under 18 years of age.

AGE DISTRIBUTION OF MAQUILA WORKERS IN HONDURAS

AGE	FREQUENCY	PERCENT
12-13 years	18	2%
14-15 years	102	11%
16-17 years	195	21%
18-20 years	258	28%
21-25 years	235	25%
26-30 years	89	10%
More than 30 years	30	3.2%

Source: Honduran Committee for the Defense of Human Rights (CODEH). Sample of 927 women maquila workers conducted between November 1992 and March 1993. This is the most comprehensive survey to date. Study director: Mr. Jorge Sierra/CODEH. Phone/Fax: (011) 504-573577.

Note: "It was the children of less than 16 years old who were the most difficult to interview, since often their parents refused to permit their under-aged daughters to be surveyed. So it is possible that the frequency of workers younger than 16 year old is greater than that established in our research (13%)."

AT LEAST 153 U.S. COMPANIES IMPORT APPAREL FROM HONDURAS

A J BRANDON
ABDALLA M HASSANNZ
ABTRON
ADRIANNA PAPELL
AGM
AM FAY INTL
AMES DEPT STORES
ANDOVER TOGS
ARROW
ASSOC MDSE
ATLANTIC APPAREL
AVENT
BANK OF NEW YORK
BEN ELIAS IND
BERKLEY SHIRT
BESTFORM FOUNDATIONS
BIG YANK
BLUE BELL
BNB
BOBBI SAWYER
BRITTANIA SPORTSWEAR
C J TWO BROTHERS
CARDINAL LEATHER
CBS
CHESTNUT HILL SALES
CLOTHES OUT
COTTON WORLD
CREDIT SUISSE
CROWLEY CARIBBEAN TRANSPORT
CRYSTAL BRANDS
CUSTOMS & TRDG SERVICE
D SIMPSON
DSL TRANSPORTATION SERVICE
EDDIE HAGGAR
FAST SPORTSWEAR
FIELDSTON CLOTHES
FLAGSHIP TRADE SERVICE
FOLETTE DESIGN
FREDERICK WORLDWIDE
GATOR OF FLORIDA
GBS
GENERAL SPORTSWEAR
GHR IND TRDG
GILMOR TRDG
GULF DISPOSABLES
H R IND
HAMPTON IND
HARTWELL MFG
HARWOOD MFG
HOON
IMPEX INTL
INTER AMERICAN
INTERAMERICA ASSEMBLIES
INTERTRANS
INTL SUPPLY
INTRADECO
IRVING B REDER
ITEX
ITHACA IND
J CREW OUTFITTERS
JADE EASTERN TRDG
JFC IND
JIK
JILI APPAREL
JMS APPAREL MFG
JO & JO
JOANNA & CHARLES
JOHN ANTHONY
K MART APPAREL
KELLWOOD
KNIGHT IND
KONICA TRDG
KORLUS TRDG
KUN JA NEW YORK
LAKE BUTLER APPAREL
LESLIE FAY
LEVI STRAUSS
LINEAR DESIGN IMPORTS
LIZ CLAIBORNE
LULI APPAREL
M FINE & SONS MFG
M S MART
MAERSK LINE
MAURICE SILVERA
MAY DEPT STORES
MCGREGOR SEA & AIR SERVICE
MILANO TEXTILE
MILWAY
MISHAAN INTL
MISS JULI APPAREL
MONTGOMERY WARD
NAZARETH CENTURY MILLS
NEJ
NICKLAUS GOLF EQPT
NYF
OCEAN APPAREL
OSHKOSH BGOSH
OXFORD IND
PAGE & JONES
PALETTE DESIGNS
PERRY MFG
PERSONAL COMFORT
PFI
PHILLIPS VAN HEUSEN
PIERINO FASHIONS
PIONEER EXPRESS LINE
PIXIE PLAYMATES
PLYMOUTH MILLS
RID SIMPSON
RONACO INTL
RSK
RUSSELL NEWMAN
RYDAL MFG
SALANT
SANFATEX
SARA LEE
SAUL BROTHERS
SCOTT DURAFAB
SEKWANG IND
SKIPS CUTTING
SOUTH EASTERN BRUSH
SPRING CITY KNITTING
SQUIRE OF CALIFORNIA
SSANGBANG WOOL INTL
STEINBACH
STEVE S AHN
SUPREME INTL
SUZY SHIER
T SHIRTS PLUS OUTLET
TANGLEWOOD
TIOGA INTL
TOM THUMB GLOVE
TRUE FORM FOUNDATIONS
TRUE TRADE INTL
UNION UNDERWEAR
UNION SHPG
UNITED PROTECTIVE CLOTHING
UNITOG
UPTONS DEPT STORES
VAN MAR
W R ZANES
WEIS MFG
WILK SHIRT
WILKINS IND
WILLIAM BAY TRDG
WILLIAMSON DICKIE MFG
WINNING WAYS
WONS SALES
WORTH
WRANGLER
YMR FASHIONS
YOUNGSTUFF
ZONE FOUR SPORTSWEAR

SOURCE: Port Import/Export Reporting Service (PIERS) database compiled by the *Journal of Commerce*.

Prepared Statement of Lesly Margoth Rodriguez Solorzano

My name is Lesly Margoth Rodriguez Solorzano. I am from Honduras. I turned 15 years old on August 5.

I began working in a maquila factory making sweaters for Liz Claiborne when I was 13. I work for a Korean company, Galaxy Industries, which is in the Galaxy Industrial Park. There are many girls there who are my age, and some are 13 like I was when I started.

I want to tell you about our work day. It starts at 7:30 a.m. in the morning and we work until 7:00 p.m. at night. Several times a week we work through to 9:30 p.m. or 10:00 p.m. We get a half hour break for lunch. There are weeks we have worked up to **80 hours**.

They demand a production quota that is too high and we are unable to complete it. If we succeed in producing the quota, the next day they increase it again so that we are alway working under great pressure and we are never able to produce the quota.

Some of the girls are forced to take work home with them since they cannot meet the quota the company demands. About 70 or 80 girls do this. Sometimes they work like this to 1 a.m. They do not get paid for the work they do at home. We have to get up at 5:00 a.m. to go to work.

I get paid 188 lempiras a week--which I am told is about **$21.36.**

We are searched on the way into work. They don't want us bringing in candy or sweets. They say it will soil the sweaters.

At work, we aren't allowed to talk. If we get caught talking to each other we are punished. The supervisors scream at us or we are sent home for 3 or 5 days without pay. The managers are always screaming at us to go faster, go faster. Sometimes they hit the girls, on the head or in the back.

If they say we have made a mistake, the supervisor throws the sweater we are working on in our face, yelling that we are dogs.

The managers like to touch the girls; they grab our buttocks or breasts. Some of the girls believe that if you let them touch you, you will get a little extra pay at the end of the week.

During the day, we get no break, other than lunch. To use the bathroom we must raise our hand to get permission. They keep the bathrooms locked. We are allowed to go to the bathroom once in the morning and once in the afternoon, no more than that, and they time you. If you take too long, you are punished.

There is a lot of dust or lint in the air which makes you choke. Everyone has problems breathing--like asthma and bronchitis. Before the sweaters are pressed, when you are handling them, dust flies up everywhere. The company does not pay health benefits nor does it pay sick days.

I left school after the 5th grade so I could go to work to help my mother. My mother didn't want me to go and wanted me to stay in school to finish the 6th grade. But the company told me not to worry, that I could go to school at night. We have public schools open from 6:00 p.m. to 9:00 p.m. But then they never let me go, since we had to work every night until 7:00 p.m.--or 8:00 or 9:00 p.m.

A year ago I affiliated to the union. We all want a union so the Koreans will treat us better and respect our rights. When they found out we were organizing they illegally fired over 35 girls and threatened the rest of us. We even went on strike--all 600 of us--the beginning of this year. But the company just fired more of us and then promised us health care, and a cafeteria. And they said that they wouldn't mistreat us any more. But nothing has changed.

The people from the government, the Labor Ministry Inspectors, were never allowed into the plant. The company wouldn't let them enter.

I wish that the people in the U.S. knew what pain these sweaters cost us. Here in the U.S. I am told that the Liz Claiborne sweaters I make cost $90. I earn 38 cents an hour.

Along with my union work, I belong to an Evangelical Church where I am a deaconess, and I am a member of CODEMUH a women's group. My dream is to be a lawyer or a union organizer and to help my people.

GALAXY INDUSTRIAL S. A. DE C. V.

ZONA LIBRE CHOLOMA

October 4, 1994

The Honorable Howard Metzenbaum
Chairman, Subcommittee on Labor
Senate Labor and Human Resources Committee
428 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

We were surprised and deeply troubled to learn about the testimony delivered to your Subcommittee on September 21, 1994. Our company's policy clearly forbids the abusive working conditions that were described and such behavior is absolutely abhorrent to us.

We have worked hard to build a successful operation in Honduras and we are proud of our accomplishments. Our employees produce a product of outstanding quality that is widely recognized for its fine workmanship. We have earned a solid reputation in the industry for our work product and our reliability. We also believe that high standards must be set for achieving a safe and secure place to work.

We do not believe the vast majority of the witness' allegations to be true. However, we have launched an immediate, comprehensive investigation to determine their accuracy. We must also assess whether the procedures and policies in place at Galaxy are adequate to prevent and discourage such conduct by our managerial and supervisory personnel. Galaxy is firmly committed to taking whatever steps may be necessary to protect our employees and our reputation.

Mr. Chairman, we will be back in touch with your Subcommittee to discuss the results of our investigation and the steps we are prepared to take.

Sincerely,

Sung Woo Ahn
Executive Vice President

Prepared Statement of Alfonso

My name is Alfonso. I arrived in the United States in 1993, in the month of March. I live with my aunt and uncle in the State of California. I have two sisters and two brothers. Four are younger than me.

When I arrived in the United States I started work in the dressmaking industry, on a sewing machine. At the factory where I work they make expensive women's dresses. They once told me that they sell these dresses in the store for $180.00.

In the time I've worked in the dressmaking industry I've seen other minors like me working. I've worked with two other minors and I've seen minors working in other factories, too. The bosses don't ask your age. They only want to know if you can do the work.

When I started work I was getting 40-80 dollars a week. I would work from 7 am. to 5 p.m. and Saturdays 7-12. I wasn't even making the minimum wage. They'd pay me in cash.

I've never gone to school because I have to work to support myself because there was no one to support me. The money I made wasn't enough even for a hamburger. I have to pay my rent, food and send money to my family.

I don't have any benefits. I don't have medical insurance and if I get sick I have to pay a private doctor, and I don't earn when I don't work, or I cure myself if I don't have money for the doctor.

Now I'm bigger and when I go a little faster I get more money –currently I get 150 or 140 a week.

I live with eight persons. It's a big apartment and we all share the rent.

At any early age I started to work because I felt the responsibility to help my family. I began to work at the age of 10.

If I hadn't had to work at a very early age I would have finished my studies. I'd have liked to study medicine and be a doctor.

Now I'm going to try to study English. I couldn't study a career because it costs a lot of money and I have to keep on working every day. My family depends on 50% of what I make.

A large majority of the women report being forced to work overtime, with shifts of 12 hours or longer. Fifty and sixty hour workweeks are common.

Under Honduran law no child is allowed to work more than six hours a day and no more than 30 hours a week. No child can work overtime. Every child must have the opportunity to attend night school. No child can be physically punished or made to work under conditions harmful to her or his health.

Every one of these legal protections are being massively violated on a daily basis. There has not been a single on-site inspection by Honduran Labor Ministry officials of these violations in the maquiladoras. No maquiladora company has ever been fined for physically punishing children and adult workers.

One hundred percent of the women report that they would be immediately fired if they expressed interest in organizing a union. The Ministry of Labor has been totally unable or unwilling to protect the legal rights of the Honduran maquiladora workers, including their right to organize.

These conditions not only violate Honduran law, but by permitting goods made under these conditions to enter the U.S., they also violate the worker rights provisions of the Caribbean Basin Economic Recovery Act and the Generalized System of Preferences.

PREPARED STATEMENT OF KAILASH SATYARTHI

There has been a steady increase in the number of children employed in export oriented industries in South Asian proportionate to the growth in exports. South Asian Coalition on Child Servitude (SACCS) along with its partner NGOs engaged in the liberation, education/rehabilitation of children in servitude in carpet industry have realised during the struggle that this being the largest dollar spinning sector, the industry is enjoying the most favoured status in the Government & political circles.

For instance, in India, despite the legal instruments prohibiting child employment, over 3,00,000 children are compelled to forfiet their childhood in carpet industry alone. It is also a cruel fact that not a single employer has been brought to book under the pro .sion of the Child Labour Abolition Act 1986. Situations similar or perhaps worser than this are prevalent in the carpet industry (predominant of child labour) of Pakistan (50,000 children) and Nepal (20,000 children). Despite our relentless endeavours to pressurise and persuade the industry to desist from child employment, the vested interests have been maintaining a 'Nelson's eye' approach to the whole gamut of the issue.

As it is, the carpet children are the victims of worst form of humman rights violation. Their miserable situation could not be simplified and compared with those who help their parents in farming or tending cattle. In last summmer I along with my team raided a carpet weaving house in Jagdishpur village of Varanasi in order to rescue child slaves working there. 62 children (in the age group of 6-12 who were either kidnapped or lured away after paying advance money to the poor parents hailed from Garhwa and Palamu districts of Bihar State, the poorest and most backward areas. When we took the Governmment officials along with some parents of the children to the raid spot for rescue operation, the father of child slave Shanker refused to identify his son who was just in front of him due to mortal fear of physical attack on him. The son also did not identify his father. Only after the rescue did the father and son embrace each other and wept over their plight. What does this incident indicate ? What meaning does the word democracy convey to these helpless people ?

I also chanced to observe the burnt finger tips of many of the boys. On questioning, the revealation was quite shocking. The children used to sustain injuries while using sharp knifes to trim the carpet knots. The employer did not want to lose the working hours by giving proper medical care to these children. Instead, he used to f ll the wounds with matchstick powder and burn them. The flesh, blood and the skin got burnt and the children were asked to work without break. How do you feel about this inhuman attitude ? Is this not worse than butchering? Who says slavery is dead? No, never. This can be compared with the chinese working prisoners.

In all the three countries, the working conditions are deplorable. They live and work in squalid loom sheds, without proper ventialtion or light. They work 12 to 15 hours a day, 7 days a week. Most of them suffer from respiratory problems, due to continuous inhaling of wool dust. Anaemia, tuberculosis, skin diseases, cuts deformation of the backbone, loss of eye-sight are all common problems. the children are beaten, kept hungry, burnt with cigarettes butts etc. The girl child labourers suffer the worst abuses. There are numerous incidents in Mirzapur and Bhadohi in India, outskirts of Kathmandu in Nepal, Peshawar and Lahore, Kasur in Pakistan where girls have been gang raped, sexually abused and sold to brothels.

Pakistan and Nepal have a larger proportion of girls in the carpet industry. The cruel exploitation of the girls in Pakistani society is hidden due to the purdah system. The industry is becoming a recruiting ground for the trafficking of young brides to the Gulf area. It was in December last year that SACCS partner BLLF Pakistan had rescued more than 300 child slaves from a carpet industry area in Kasur. The matter was taken up with Supreme Court of that country. But the avaricious employers had filed an affidavit stating that all the children rescued belong to their families and hence not slaves. In Nepal also the carpet industry is used as a side busines for girl trafficking. Innocent girls, mainly belong to the 'Tamong' community, are lured with promises of better jobs and sold to brothels in India. The seminar estimated that 5-6,000 girls, 10 to 14 years old, have already been trafficked to Inida via carpet factories in Kathmandu, duruing the past 5 years.

A new development is the import of Nepalese children into India and it is believed that there may be more than 20,000 Nepalese children kept as bonded labourers in the carpet indusutry in the Bhadohi region of India.

I and my colleagues engaged in the rescue operations which are very dangerous (could be fatal also) feel terribly upset over the fact that against the neglible number of children rescued, say about 6,000, there has been a regular rapid increase in the induction of children in this sector.

Considering the enormous magnitude and global spread of carpet trade can be illustrated by the facts that 70% or more import of woollen yarns from Newzealand and Australia and export to the extent of about 90% finished products to foreign countries and as such it is humanly impossible to make any effective impact through our localised struggle only. This is exactly the reason which compelled us to launch a consumer campaign in Western countries. Duuring the span of four years since the launching of this campaign, we have a mixed experience of sweet and sour with carpet industry, concerned governments and international organisations.

The most glaring outcome of the international carpet campaign is that in South Asia, particularly in India, the issue of child servitude has emerged as one of the most debated subjects among media groups, intelligentsia, polity etc. and heading towards a cocerted action at various levels. Secondly, for the first time a giant industry is facing a threat from Social action groups entrenched for the protection of human rights/rights of children and work ethics. Also the NGOs working in the field of Child labour have acquired a tremendous degree of confidence and courage and on the other hand an unprecedented fear has crept in the industries thriving on child exploitation. Thirdly, a considerable number of carpet manufacturers have taken a clear and firm stand against employment of children and even decided to produce carpets without child labour. This group Carpet Manufacturuers Association Without Child Labour (CMAWCL) is still doing good business despite the odds tha they are compelled to face from the state and a large chunk of trade/exporters. Fourthly, the Ministry of Labour, Ministry of Textiles, State Govt. of U.P. Handicrafts Board and Carpet Export Promotion Council of India, also were also forced to intervene on this issue.

We were not in favour of total boycott of hand knotted carpets from India or from South Asia. Rather we intend to promote carpets made without child labour. As an effective process, the need of a international credible and professional labelling system emerged. In India, SACCS initiated dialogue not only with a number of carpet exporters, Carpet Export

Promotion Council, All India Carpet Manufacturers Association but also with Indo German Export Promotion Project and concerned officials of importing countries embassies to form a working group for introducing such a label. IGEP presented itself to give a professional shape with the help of other international bodies and legal authorities.

Some of the big exporters including OBEETEE and E Hill and Company joined the labelling initiative due to an impending threat of import ban in America. Most of these exporting companies are having their main business in USA. The process of formation of such a professional and independent body in the name of Rug Mark Foundation was quite encouraging.

In the course of time, we have noticed that the Government bureaucracy which is always hand in gloves with carpet industry was indifferent. The involvement of Government bodies especially CEPC was not with clean hands. They have been delaying the process and gaining time. The Minister of Textiles and other responsible persons in the Government indicated and finally annourced that they are not in favour of such certification system which is controlled by outside agencies.

OBEETEE and other big companies who got a feedback in United States that the enactment of Harkin Brown's bill is not imminent and started playing a shrewd role in delaying the process. They just wanted to kill the initiative in protest of unnecessary doubts and arguments.

They were also able to create a clout in Government circles and media to make IGEP afraid. At last, on 3rd March IGEP was compelled to suspend their role, OBEETEE and other automatically withdrew. SACCS, CMAWCL members remain intact.

We have again started a very fruitful bilateral and multilateral dialogues among SACCS, IGEP and CMAWCL. The present situation is quite encouraging inspite of little contradiction and ambiguities. We are quite hopeful as the CMAWCL group (which is reducued to 36) IGEP and SACCS have jointly agreed to launch Rug Mark in coming months. We are quite optimistic to form the official Rug Mark Foundation in the month of June, 94.

Undoutedly, there is an acute need of stronger consumer campaign in the Western companies to put pressure on the importers federations and retailers. Of course, there is a small size of importers who are agreeing to promote free of child labour carpets but on the other hand much more lobbies are opposing such an initiative in the United States, Germany and may be in other countries. This is helping in boosting of morale of anti Rug Mark traders in India.

Harkin Brown's initiative has proved a shot in the arm in our movement. SACCS admits that the labelled carpets cannot compete with unlabelled once in the world trade without the backing of legal measures import of child labour made products including carpets.

Hence we support the very principle of social condition of being without child labour in any bilateral and multilateral trade.

But we are strongly against any protectionate measures if used in the name of child labour, that is why SACCS has suggested an amendment in the Harkin's bill to give the authority of certification and monitoring of products without child labour to independent and credible bodies in the country of products. These powers should not be vested in US importers

as it was in the first draft of the bill. We sincerely appreciate the architect of the bill who amended it on the basis of our suggestions.

We question the very consumeristic paradigm of Development dominating the GATT philosophy and therefore, accuse the very basis of Structural Adjustment Programme and Free Trade for perpetuating child servitude and contemporary forms of slavery on a massive scale.

Nevertheless we demand a comprehensive Social Clause in the World Trade. Child Labour is illegal and immoral and, therefore, goods produced by exploiting children must be totally banned from the purview of all local and globle trade. But at the same time all third world debt should be abolished and repayment, if any must be canalised for providing compulsory and free educuation to all victims of child servitude system. The third and most important step in the direction of fair trade as distinguished from Free Trade should be repealing of all discriminatory immigration laws, some of which smack of being outright racist. Let Capital and Labour flow freely. Let there be Globalisation in the true sense of the term.

PREPARED STATEMENT OF JOAQUIN F. OTERO

Chairman Metzenbaum and members of the Subcommittee:

Good morning. I am Jack Otero, Deputy Under Secretary of Labor for International Affairs. I want to discuss with you an important and critical topic — economic exploitation of children.

Secretary Reich summed up the magnitude of the problem in June of this year before the Subcommittee on International Development, Finance, Trade, and Monetary Policy of the House Committee on Banking, Finance, and Urban Affairs, when he stated:

> Some labor practices simply place countries outside the community of civilized nations. . . . Some forms of child labor — such as work by very young children — will be found to violate universal norms, even in the poorest countries.

Last year, Congress directed the Secretary of Labor to identify any foreign industry, together with its host country, that utilizes child labor in the export of manufactured products to the United States. Just the other day, on September 19, the Secretary transmitted to Congress a study conducted by the Labor Department on child labor worldwide. I'd like to review some of the findings of our report with you.

One of the main reasons for initiating the study is the longstanding care and concern for children of the distinguished Senator from Iowa, Mr. Tom Harkin, who has stated "that American consumers do not want to provide a market for goods produced by the sweat and toil of children."

In preparing the report, we made every effort to be as inclusive as possible. We drew upon the collective knowledge and expertise of individuals and groups throughout the world who are concerned about the plight of working children. We also contacted hundreds of international and front line indigenous human rights and other non-governmental advocacy organizations, as well as trade unionists, academics, journalists, and

representatives of business and foreign governments. Finally, we drew upon the knowledge and resources of labor attaches in U.S. embassies abroad. The data was analyzed in conjunction with field visits made by members of my staff, and studies commissioned by my office. The Department of Labor also held a public hearing on April 12, 1994.

You will find no so-called smoking guns in the report. The facts — and let me remind you that this is a factual report and not a policy paper — were already in the public domain. But, for the first time, we have gathered this information in one place. In addition, I would like to stress that although the report includes chapters on 19 countries from all regions of the world. These are by no means the only countries which use child labor. Nor are they by definition "the worst."

The universe of child labor is enormous, and therefore very saddening. So, how many children are we talking about? My answer, sadly, is we really don't know.

We know that the ILO estimates that there are between 100 and 200 million working children worldwide. But the ILO concedes that no systematic or precise survey has been conducted. Government statistics typically do not include economically active children below a certain age. Labor force surveys rarely cover illegal or clandestine work, home-based work, or work by refugee populations. Because statistical information on child labor is uniformly poor, our report makes no attempt to assess the actual number of children working in any country or industry.

Child workers are found in a wide range of economic activities. The largest numbers work in family-based agriculture, as domestic servants, in restaurants, as street vendors, and in small-scale manufacturing, and many times they are exploited as prostitutes. Most children work in the "informal" economy, which is generally not regulated by national law, rather than in the formal economy, although subcontracting in such industries as garments, shoes, and carpets often blur the distinction between these two sectors.

But our study was focused by its mandate on only a smaller percentage of child workers — those who are employed in export manufacturing and mining industries. And they are not commonly found in large enterprises; but rather in small and medium-sized firms and in neighborhood and home settings. Those export industries which most commonly employ children include garments, carpets, shoes, small-scale mining, gem-polishing, food-processing, leather tanning, and furniture.

Complex subcontracting arrangements oftentimes make it difficult to determine, and sometimes disguise, the use of child labor. In some industries, like garments and shoes, parts made by children in one country are sent to a second country for assembly before being exported to the United States.

Garment factories may be the clearest example of formal sector factories which employ children. In Bangladesh, young girls of 11 to 14 are hired to serve as helpers. The girls work 12-14 hour days to sew buttons, cut threads, and carry cloth from station to station. Many of the garment factories are locked while the girls work. Similar situations may be found in Africa, Central America, and the Middle East.

Debt-bondage of children — or children in slavery — is the most intolerable and exploitative form of child labor. While it appears to be more pronounced in Asia, bonded labor also exists in other parts of the world. According to the ILO, bonded

laborers are most commonly found in agriculture, domestic service, prostitution, and a variety of industries, including the manufacture of hand-knotted carpets. In India, conservative estimates of adult and child bonded laborers start at 3 million.

In Pakistan, debt bondage is called the "peshgi" system. The use of bonded laborers in Pakistan's carpet and brick kiln industries is well-known.

In some countries, recruiters comb the countryside paying poor parents to recruit their children for work in factories. Unscrupulous "employment agencies" often deliver children to industries, like shrimp peeling or prostitution. In the Philippines, two separate raids on a sardine canning factory found children, as young as 11, filling cans with sliced fish to repay the debt to a labor recruiter.

So, why do children work? There are many reasons and rationalizations. Many families cannot afford the cost of sending their children to school, assuming that there are schools, or parents do not believe that education is worthwhile.

Research documented in the report shows that many children are hired because they are more easily exploited than adults. Employers prefer children because they are docile, incapable of collective bargaining, and willing to work to support their family or simply to survive. Children can — and are — made to work for long hours without a break, under hazardous conditions, for little to no pay.

In some sectors, there is a general acceptance that children are uniquely suited for the work. This is best exemplified in carpet and gem industries. The argument is that the nimble fingers of children are better than those of adults in producing knots in carpet-weaving and in polishing gems. But evidence suggests that child labor in these industries has more to do with the recruitment of cheap and malleable labor rather than a need for "nimble fingers."

The most common explanation given for the persistence of child labor in all parts of the world is poverty. But a child's contribution to household income is rarely significant. UNICEF in Latin America finds that "(r)arely does the proportion of household income generated by children exceed 10-20 percent." Poverty may determine whether a child works, but it does not end a life of poverty for a family. Indeed, it may only perpetuate the cycle — children do not complete their education, nor are they taught skills which enable them to get a higher-wage job. The vicious cycle continues to trap poor working children.

Child labor is also perpetuated by societal attitudes that say children should work. This attitude stems from the belief that by learning a skill at a young age, a child will learn a "trade" which will support him or her throughout life. Regardless of whether these contentions are valid, they are certainly indicative of current beliefs.

In conclusion, I would like to say that this report, if nothing else, is an important first effort to collect information on children in the export sector on a global scale.

Throughout the report reference is made to the need for additional research. But sufficient information may already exist to allow governmental and nongovernmental organizations to develop programs and policies which effectively address the problem of child labor. Because of revitalized efforts on the part of UNICEF and the ILO, the growing public awareness of the

economic exploitation of children, and the threat of various proposed trade sanctions or restrictions on products made from child labor, this is an opportune time to support international research and coordinated action.

Indeed, I am pleased to note that the Labor Department's pending FY95 budget contains additional funding for further research and investigation into child labor. The Bureau of International Labor Affairs intends to continue — and broaden — its relationship with international organizations to work for the benefit of children and to document situations where child labor is exploited. We hope that with the combined efforts of government, international and humanitarian organizations, labor unions, NGOs, and business, that we can change things somewhat and ameliorate the suffering and exploitation of children the world over. Surely our children deserve no less.

Thank you Mr. Chairman.

[Whereupon, at 12:37 p.m., the subcommittee was adjourned.]

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